FINANCIAL TIMES

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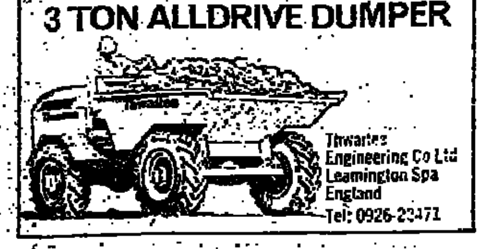


CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pts.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Troops for hire probe set up

As 44 tired, shaven-headed British mercenaries arrived home from Angola yesterday to be questioned by the Special Branch, the Prime Minister announced an official inquiry into their recruitment, to be headed by Lord Diplock.

Other members will be Geoffrey de Freitas, Labour, and Mr. Derek Walker-Smith, Conservative. Mr. Wilson described the recruiters as "small-time crooks" and said they had been getting access to lists of former soldiers and SAS men to "raise a vast private army."

Police swarmed around the mercenaries' plane and detained them for questioning under the 1861 Offences against the Person Act in connection with reports of a massacre of 14 of their comrades by fellow mercenaries. The Act can be used against Britons who commit murder or manslaughter abroad.

One mercenary arrived in a wheel-chair, two walked on crutches and several had their arms in slings. Among them was 17-year-old Londoner David Smith, previously feared to have been executed.

The mother of one returning mercenary, Andrew Black, said her son had seen the bodies of 14 or 15 comrades shot on the orders of Col. Callan. Leslie Aspin, head of the recruiting organisation Security Advisory Services, left London by private jet for Holland yesterday, saying he had 200 more guerillas "in the pipeline" for Africa.

A million homeless

More than a million people—a sixth of Guatemala's total population—are homeless following last wek's massive earthquake in which 18,000 are now officially known to have been killed and more than 5,000 injured.

Emergency relief is gaining momentum and specialists from 50 countries were meeting in Paris yesterday to discuss ways of reducing the killer impact of earthquakes.

Spate of bombs

A spate of bombings hit Belfast yesterday, anniversary of the Provisional IRA "ceasefire." Five city centre shops were bombed, but there were no casualties. Since the "ceasefire" more than 290 people have been killed and 2,000 injured in Ulster.

Moro accepts

Prime Minister-designate Aldo Moroyy formally accepted the task of forming a new minority CD Government. He told President Leone it was assured of a small parliamentary majority. Page 6

No deadlock

Nationalist leader Joshua Nkomo last night denied deadlock at the conclusion of an hour-long session with Premier Smith on Rhodesia's future. In neighbouring **Zambia**, President Kaunda detained several university students and two more expatriate lecturers. Page 3

Gas off

Gas supplies in the North-east of England, Sheffield and Nottingham, will be disrupted to-day when 7,000 white-collar workers go on strike. Page 11

People and places

The Queen and Prince Philip are to visit Fleet Street newspapers on February 26.

Two men convicted of frightening a sub-postmaster to death in Glasgow were jailed for seven years yesterday.

Miss Edna Hunt, 49, said she had achieved a "life-long ambition" by becoming Norwich's first woman street sweeper.

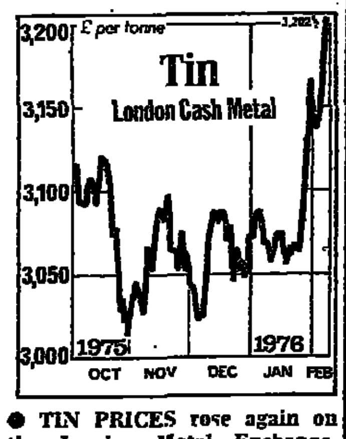
BUSINESS

Equities gain 3.5; gilts above worst

● **EQUITIES** recovered early losses, helped towards the close by Imperial Group's good results. The FT 30-share index, after losing 2.4, closed 3.5 higher at 403.1. But falls led rises by 7-4 in Industrials.

● **GILTS** reacted initially on interest rate fears, but losses were pared by the close, ranging to ¼. Government Securities index eased 0.17 to 63.10.

● **GOLD** lost 50c to $129½.



● **TIN PRICES** rose again on the London Metal Exchange, with standard cash metal gaining £10 at £3,202½.

● **WALL STREET** was 6.93 higher at 964.11 near the close.

● **U.S. TREASURY BILL** rates were: Threes 4.872 (4.811) per cent.; Sixes 5.133 (5.066) per cent.

● **GRUMMAN**, the U.S. aerospace contractor, has denied that it agreed to refund $27m. to the Iran Government over disputed commissions relating to an order for 80 F-14 Tomcat aircraft. In London, Tate and Lyle denied allegations that its executives were involved in any fraud or corrupt practices in regard to sugar transactions with Iran. Back Page

Port takeover struggle likely

● **EUROPEAN FERRIES** is likely to go ahead with its bid for Felixstowe Dock and Railway, despite the refusal by the Board of Britain's most successful privately-owned port to support the offer. Back Page

● **BRAZIL** has curbed imports of luxury goods, ranging from cars to spirits, until June 30, to correct the imbalance in her foreign trade. Page 4

● **BRITISH AIRCRAFT** Corporation is to make 1,200 employees, including many Concorde workers, redundant. Back Page

● **CO-OPERATIVE BANK** has introduced a revolving credit budget account facility to help families spread the burden of bills evenly through the year by obtaining up to £1,000 in overdrafts.

● **EEC COMMISSION** is facing increasing pressure to concede a larger increase in common farm prices than the 7.5 per cent. proposed for 1976-77. Page 25

COMPANIES

● **IMPERIAL GROUP** pre-tax profit in the year to October 31 recovered to £106.8m. (£73.5m.) **Page 18 and Lex.** In a sharp attack on the Price Commission and its interpretation of the price code, the group said it had cancelled or postponed a number of investment projects. Page 8

● **THOS. W. WARD** plans to raise about £6m. by a one-for-three rights issue at 46p. Page 16 and Lex

● **DE LA RUE** pre-tax profit recovered sharply in the third quarter to December 31 at £3.11m. (£1.73m.). Page 16 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Beecham	344	+ 4
Brown (J.)	83	+ 5
Daily Mail "A"	200	+ 4
De La Rue	223	+ 10
ERF	33	+ 3
Hay's Wharf	78	+ 3
Hoechst	530	+ 15
House of Fraser	90	+ 3
Imperial Group	87	+ 3
Inchcape	390	+ 8
Lowe and Brydone	28	+ 3
Manc'ster Ship Canal	180	+ 10
Paterson Zochonis	460	+ 20
Reckitt and Colman	342	+ 5
UDS	92	+ 3
Shell Transport	354	+ 6
Charter Cons.	139	+ 3
Malayan Tin	175	+ 7
Northgate Expln.	375	+ 20
Peko-Wallsend	325	+ 15

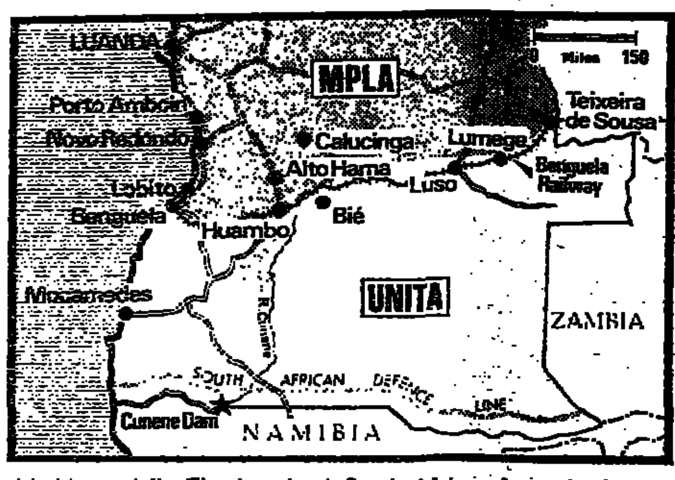
FALLS

Treas. 13¼pc '97 "A"	£98½	− ¼
Treasury 3¼pc '79-81	£83¾	− ¼
Artagen	63	− 9
Berkeley Hambro	132	− 6
Channel Tunnel	60	− 5
Felixstowe Dock	136	− 6
Hambros	208	− 10
HK and Shanghai	278	− 10
Macfarlane	56	− 4
Racal Electronics	222	− 8
Soree	68	− 4
Stroud Riley	17	− 3
Tate and Lyle	268	− 8
Tunnel Hldgs. "B"	192	− 4
Ward and Goldstone	92	− 4
Middle Wit.	315	− 15
Pancontinental	£14½	− ¼
Randfontein	£14½	− ¼
Southvaal	540	− 30
Western Hldgs.	£24½	− ¼

Angola rail line falls to MPLA

Major battle looms as Lobito and Benguela fall

BY JANE BERGEROL, LUANDA, FEBRUARY 10



THE PROSPECTS of a major confrontation between the forces of the Marxist MPLA and their allies and South African forces, who have reportedly established a strong defence line 50 miles inside Angola, moved nearer to-day when the MPLA announced it had captured the towns of Lobito and Benguela.

The two key towns on the Atlantic coast give the MPLA control of almost the entire 1,000 miles of the Benguela railway running from the port of Lobito and the industrial city of Benguela across Angola into Zaire and Zambia.

9t the same time it was announced in Kampala tha Uganda had become the 26th African government to recognise the MPLA as the government of Angola, raising MPLA hopes that full recognition by the Organisation of African Unity may not be far off.

A broadcast by the MPLA military commander on Benguela's radio early this afternoon—retrainsmitted by Luanda National Radio—said that Lobito, Catumbela and Benguela have been "simultaneously liberated" and that there has been "no resistance" by forces of the Western and South African-backed Unita movement.

The broadcast called on people to return to work as usual and said "MPLA guarantee every citizen the right to continue with his work." The broadcast also claimed the Luanda forces had received a resounding welcome and that people had been in the streets with MPLA flags. The population of Benguela has always been strongly behind the MPLA although in contrast Lobito has backed Unita.

Unita forces appear to have evacuated the towns although they were still broadcasting music programme from Benguela around 9 o'clock this morning according to Luanda Radio.

On the southern front as a whole MPLA forces appeared to have met with little serious resistance since the withdrawal of South African forces in January and the outbreak of fighting between the allied forces of the Zaire-backed FNLA and Unita.

The MPLA advance had recently been slowed by mines in the area and a number of river bridges blown-up by retreating Unita forces.

Along the railway lines only two major towns now remain in Unita hands: the eastern town of Luso, which MPLA military sources say unofficially is encircled and on the point of capture, and the new Unita military headqlarters at Bie (formerly Silva Porto).

Continued on Back Page

Women awarded equality in occupational pensions

BY ERIC SHORT

FROM April 1978, women will no longer face discrimination over their membership of occupational pension schemes, Mrs. Barbara Castle, Social Services Secretary, told delegates at yesterday's Financial Times Pensions Conference.

Regualtions were laid before Parliament yesterday under the Social Security Pensions Act 1975, which set out the provisions for securing equal access for men and women to such occupational schemes.

These provisions would apply to all occupational schemes irrespective of whether they were contracted out of the Government's new pension scheme, due to start in April 1978, Mrs. Castle said.

Conditions of membership of these schemes include age and length of service with a company. They will no longer be allowed to differentiate on sex.

The present practice for most pension schemes is to make it compulsory for men but voluntary for women. Under most schemes, ben become eligible for membesrhip when they are 21 and have completed a year's service with the employer. Women often have to be at least 25 and sometimes 30 and to have completed five years' service.

Since the ultimate pension is based on years of membership in the scheme, women usually receive a lower proportion of final salary than men.

The Company Pensions Information Centre said yesterday that many employers would probably bring the entry conditions for women into line with those for men.

Compromise

But it thought that a minority of employers would go the other way and strike a compromise over length of qualification at perhaps three years. It would not cost the employer much to accept women in their early 20s into the pension scheme, except to add to administration expenses.

Mrs. Castle also told the conference that she had accepted the proposals put forward by the pensions industry on the accrued pension rights of employees who leave pension schemes before retirement

Under the contracting-out provisions, such pensions have to be inflation-proofed up to the ultimate retirement age. The pensions industry has complained that this would represent an open-ended commitment.

Now, under another set of regulations laid before Parliament, employers must only revalue these accrued pensions at 8½ per cent. per annum. The National Insurance Fund will make up any difference between this figure and the increase in the earnings index.

Mrs. Castle hoped that this proposal would finally allay employers' fears that by contracting out they might have to pay huge sums for former employees.

The CIB Society of Pension Consultants welcomed Mrs. Castle's announcement and said that the last barrier to employers contracting-out of the State scheme had been removed.

Mr. D. W. A. Donald, general manager of Standard Life, Scotland's largest pensions company, said that the constructive decision, which he had sought, would enable life companies to go ahead with discussions with employers on the future of pension schemes.

Conference report, Page 8

Foot exempts 'long-established' depots from dock labour Bill

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. MICHAEL FOOT, Secretary for Employment, confirmed yesterday that he would introduce amendments to the Dock Work Regulation Bill to ensure that "long-established" warehouses and depots would be exempted from registration under the proposed dock labour scheme.

The pledge, though it failed to satisfy completely some union-sponsored MPs who fear a take-over of jobs by the Docks Section of the Transport and General Workers' Union, seemed to have mollified Labour back-bench critics.

Poaching fears

With full back-bench support, Government Whips hoped that the division, on the Second Reading, the most fiercely contested of the present Parliamentary session, would be won by a narrow margin despite the combined challenge of all minority parties.

Mr. Foot, although insisting that there ha dnever been any intention in the legislation of allowing the TGWU to "poach" workers from other unions, tried to placate worried MPs by promising to consider any amendments that would make the situation clearer.

"Long-established warehousing, storage, packaging and cold storage operations which are not related to work directly transferred from the docks and which are not connected with port operations would most certainly not be classified as dock work and therefore subject to the new scheme," he insisted.

Maintenance and other port service grades, such as dock watchmen who had no direct relationship to cargo-handling, were also excluded from the Bill.

Both these pledges follow a key meeting of the TUC Transport Industries Committee on January 21 which gave unanimous support to the Bill on the understanding that Mr. Foot would table agreed amendments at the committee stage.

Sponsored MPs from the General and Municipal Workers' Union, the Union of Shop, Distributive and Allied Workers, the Transport Staffs Salaried Association, NALGO and other unions which fear they might lose members to the TGWU, will now try to ensure that amendments are tabled which fully meet their anxieties.

Pressed by an Opposition spokesman to confirm that "long-established" warehouses would be excluded, Mr. Foot replied: "If there are further amendments required to establish that situation fully, we will certainly introduce them."

Mr. Foot went on to criticise the Opposition, the Press and others for spreading "wild exaggerations and misconceptions" about the Bill, which seeks to extend the dock labour scheme to all cargo-handling establishments within five miles of a waterfront, and to include smaller ports in the scheme.

He defended the Bill as "a constructive measure for dealing with a problem which it is impossible for this House or the country to shirk."

But Mr. James Prior, "shadow" Employment Secretary, insisted that he knew of no decent Bill that had aroused such genuine anger. "There is opposition to it within the unions and the Labour Party, and it is opposed by every single other interest concerned with industry or commerce in this country."

'Bitterness'

At best the Bill would provide a temporary respite from the inexorable pressures dockers were facing, he said. But the bitterness they would feel when they knew they had been "conned" made it all the more important not to proceed with the Bill now.

Mr. Prior suggested that an impartial inquiry should be set up to investigate the situation in the docks and the effects of technological change. The Government's scheme would not bring peace to the docks. Instead it could bring "an outbreak of war."

Parliament, Page 12

Sterling falls to record low level

By Colin Millham

STERLING FELL to its worst level ever against other major currencoes yesterday as speculation about a possible realignment of currencies withn the European currency "snake" contnued to have an unsettling effect on the foreign exchange market.

The poud's trade-weighted depreciation, as calculated by the Bank of England, widened to a record 30.4 per cent. from 30.3 per cent. It closed at $2.0270 against the U.S. dollar, a loss on the day of 10 points, and market sources suggested that the Ban kof England may have given some support to streling when it touched its lowest level of around $2.0220 earlier in the day.

Other European central banks were also active within the market, and it is probable that the total amount of intervention yesterday was the largest since the present bout of unrest began, following the closure of the Italian foreign exchange marekt last month.

The French authorities gave further assistance to the French franc, which has been under very heavy pressure as a result of recent speculation that there will be a realignment of currencies in the European "snake." Recent support by the Banque de France is estimated to be in the region of $1.5bn. (Back Page).

Intervention

Intervention by the West German authorities yesterday was partly in support of the Danish krone, one of the weakest members of the "snake," and it was also disclosed that the Bundesbank bought $22m. to steady the U.S. dollar. Morgan Guaranty's calculation of the dollar's trade-weighted depreciation widened to 2.83 per cent. from 2.80 per cent.

Support of $30m. for the U.S. unit was also reported from the Bank of Japan. The Japanese yen recently moved from a depreciation to an appreciation, according to the Morgan Guaranty calculation.

The Dutch central bank and the Belgian authorities both intervened in the market yesterday to maintain the guilder, which is very firm, and the weaker Belgian franc within their agreed float limits.

Further ground was lost by the Italian lira, with its depreciation widening to 41.38 per cent., a fall of 10.66 per cent. since the beginning of the political crisis in Italy.

WELSH CUTBACKS EXPECTED

BSC to cut 6,200 jobs in the North

BY ROY HOBSON

THE BRITISH Steel Corporation is seeking to cut out 6,200 jobs in North of England steelworks as part of the wider reduction in manning designed to save the corporation £170m. a year in labour costs.

Plans for reducing manning at the corporation's plants in Wales are expected to be announced later this week and will involve more redundancies than in any of the other steelmaking areas.

Plant level

After a series of crisis meetings in January over the corporation's redundancy plans management and unions agreed to refer major issues concerning redundancies and earnings levels to plant level for consultations and negotiations. In return BSC felt it had obtained a greater degree of union co-operation at national level. Before yesterday BSC had announced, following talks with the unions at area level, that it wanted to shed some 4,500 jobs in Scotland, 2,200 in the special steel division centred on Sheffield, and 1,200 at Corby, Northants.

Clearer

The pattern of the corporation's overall labour-saving plan is becoming clearer. If the target set by the BSC of shedding more than 40,000 jobs in two years is to be achieved then the sector of the industry most seriously affected inevitably will be the strip mills division. Most of the job losses within that division will bein Wales. The corporation's undisclosed plans for the Welsh mills will be central to the whoe exercise.

The corporation's division covering Teesside and Workington will seek to reduce its workforce by 3,200 in the next two years. Another 3,000 jobs in the division will be lost by plant closures. But new jobs will be provided over a longer period as the major steelworks development at Redcar goes into production.

The Teesside division has had preliminary discussions with union officials and has suggested setting up a joint committee to implement the job-reduction programme. After the 6,200 jobs have gone, the aim of the division will be to achieve further labour savings in its existing plants and to switch workers to the new works being phased-in.

Responsibility

A statement from the division last night said it considered that its share of the total national capital investment in new steelmaking plant placed a particular responsibility upon the division to achieve the highest levels of productivity and profitability.

● Three hundred workers at the Ministry of Defence Signals Research and Development Establishment at Highcliffe, Dorset, are to lose their jobs. The establishment, where the laser beam was developed, is to be run down. A further 600 workers are to be transferred to the Malvern research establishment.

£ in New York

—	Feb. 9	Previous
Spot	$2.0276-0285	$2.0270-0280
1 month	0.68-0.63 dis	0.67-0.62 dis
3 months	1.98-1.93 dis	1.98-1.91 dis
12 months	7.30-7.20 dis	7.40-7.30 dis

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LOMBARD

The disregard of moral standards

BY C. GORDON TETHER

THE WARNING note struck by the U.S. General Accounting Office, a Federal watchdog agency, on the possible repercussions abroad of the disclosures about the bribes paid by Lockheed to win foreign business relates only to the Lockheed order book—the outlook for the corporation's finances being all that the GAO report was actually concerned with.

It is, nevertheless, a reminder that the web of international intrigue which the U.S. bribery investigations and the related probe into CIA activities are bringing to light is a matter of considerable importance to the outside world—not least in relation to the question of what is to be done to prevent trade liberalisation codes being set at nought by widespread disregard of generally accepted moral standards.

At the moment, the U.S. spotlight on "big business behaviour" is directed at the Lockheed Corporation. But it is, in fact, only one of a number of U.S.-based multinational giants that have been attracting its attention.

Much greater

Corporations engaged in the oil trade and other forms of international commodity traffic are also deeply involved. And the chairman of the U.S. Securities and Exchange Commission recently disclosed that the extent of American undercover corporate financial dealings was much greater than had been appreciated, his organisation now being engaged in investigating 30 major companies. He added, significantly, that it had been unable to trace "tens of millions of dollars in illegal payments that U.S. corporations had admitted making."

It has to be recognised that, though they have so far been featured most, the Americans are not the only ones to blame for this sad state of affairs. Bribery can never succeed unless there are takers. And that engaged in by major U.S. companies would not have assumed such proportions had it not been for the fact that there were plenty of people in high places in other lands who were prepared to accept their largesse for "services rendered."

Moreover, it is quite conceivable that, if the under-cover payments situation were to be researched in other advanced countries in the resolute way that it is now beginning to be probed on the other side of the Atlantic, it would be found that the American scandals were only the tip of a great international iceberg of corruption. Indeed, the argument that is most often adduced to defend such practices is that as everybody else is doing it, the company that wants to be successful has no effective alternative to following suit.

But a multitude of wrongs can never make a right. And the reality is that, since the purpose of under-cover payments of this kind is to produce an outcome that is different from that which might otherwise obtain, the practice constitutes a serious interference with the normal, healthy, operation of the international trading system.

Meaningless

For if orders are to go to producers who can deliver the most powerful punch in terms of greasing the palms of those who are well placed to determine the final choice on the buying side, normal commercial considerations are clearly going to play a subsidiary role—if, indeed, they exercise any influence at all.

The implications of such behaviour for the way of life to which we in the West are supposed to attach so much importance cannot, of course, be lightly dismissed. But the main point I want to make in this article is that it is also capable of constituting a serious interference with the operation of the world's economic machinery.

We have been hearing a great deal of late about the desirability of ensuring that countries do not impede the functioning of that machinery by restricting the inflow of goods from the outside world through import restrictions or exchange controls. There is no logic in laying so much store by the preservation of trade liberalisation doctrines while doing nothing about other forms of unwanted "interventionism" that have very much less economic, financial or moral justification.

It is often argued that business and morality do not mix. What emerges from the disclosures about the under-cover activities that the American business system has been indulging in with foreign collaboration is that the ground rules of the international trading community are apt to become meaningless unless they have the support of a proper regard for moral principles.

GARDENS TO-DAY — BY ROBIN LANE FOX

Colour in the cold

THIS HAS BEEN such an exceptional season for winter flowers that I feel obliged to write about them. Perhaps you do not grow any; perhaps you think that even the lovely yellow jasmine, which resists cold weather so well, takes up too much room on a shaded wall. The spring flowers which have opened early in the past two Januarys do not count as winter-flowering plants. But the winter cherries, irises, hellebores, honeysuckles and the rest have been seen to the best advantage.

I have a clump of the lavender-flowered Iris which we may as well call Stylosa. Once, I think, it began as two pot-grown plants, yet before the last frost I counted 98 flowers on its thicket of leaves, now three feet wide. Better than that, I saw it recently under the south-facing wall of a primary school, in one of those beds which public buildings still attract. It was about a foot wide hundreds of feet long, and short of soil round the quickly-assembled base of its municipal walling. Doubtless one man, maybe two, is employed to clip these edgings throughout the summer at the ratepayers' expense.

This school has plainly found a science teacher who knows more than those who fill in two hours a day by telling their class to go and find wild flowers, as if that were a serious "projects."

Hot summer

The winter iris likes rubble and very poor soil; it grows too, thickly to allow any weeds: if it faces south, and if warmed by a hot summer, it flowers abundantly. The flowers are an admirable subject for a botany lesson as the details show up so clearly. Closely inspected, they can be seen to be marked with yellow in the tubes of their flowers. As an instructive peculiarity, their flower "stems" must be pulled out of the clump and not picked or broken, because they are not strictly flower-stems as in (say) a dahlia. The flowers do not last well in water.

Last year's hot summer is surely the reason for the iris's abundance. Its native home is Algeria, and any reader who may have seen or photographed it there might like to describe it or send a picture for one who imagines it to be spectacular. Anybody who grows winter irises and never sees many flowers is likely to have fallen into a simple error. This plant must be grown in a hot soil which drains quickly and which is fully exposed to the sun. Old rubble suits it well. It does not dislike water, but the water should run quickly through its bed. Otherwise it is the easiest plant imaginable.

Whether the hot summer has also caused the fine winter season of the Mahonia is more arguable. The best varieties of this shrub grow happily in the shade where a ripening of their wood in the summer is not so relevant. Yet after the warmth of 1975, I have seen heads of flower on even the shade-loving Mahonias to which neither I nor other owners can recall a parallel. From time to time people dismiss this family as rather dull and it does not rate highly among the turnover at my local garden centres. I think it is so extraordinarily handsome that I must now try to do it justice.

The commonest variety, sold cheaply in chain-stores and cut-price newspaper offers, is not worthless, but I would not go out of my way to grow it, except where I wanted a reliable evergreen for a difficult site. It is called *Mahonia* (or sometimes *Berberis*) *Aquifolium* and has pleasantly glossy dark green leaves, canary-yellow clusters of small rounded flowers and fruits, often, which have a bluish bloom on them. It grows about three feet high and falls into that class of shrub which catalogues still magniloquently describe as suitable for pheasant cover.

I like it in crowded city gardens, tucked in beside dustbins and concrete slabs where it grows well and looks handsome.

There is, however, something new to report here. American growers have selected a variety called *Orange Flame* which strikes me as being extremely useful: it is listed in the U.K. by Sherrards of Newbury, Berkshire, and I suspect that it will be a familiar sight in the next decade. It grows about two feet high, so far as we know, and its crinkly leaves turn orange throughout the summer.

Deceived by a group of young plants in the front of a fashionable border last summer, I congratulated the owner on his discovery of a bright new orange-flowered annual. Moving closer, we found I had been taken in by this new evergreen so brightly coloured in its leaf that it appeared to be a flower. I imagine that it will grow where I have now planted it, in a dark north-facing corner which needs to be brightened.

Orange leaves are also, in season, a feature of the best forms of what is correctly named *Mahonia Japonica*. In a variety whose leaves colour properly, I love this plant. Its long pinnate leaves are evergreen: its spikes of yellow flower, borne so prolifically this year, are scented like a lily of the valley. It is extremely hardy and it will grow in shade and on lime soil, an unusual virtue in a Japanese plant.

By cutting out the central whorl of its leaves at the point where they meet old wood, and lining them in sandy soil, I have been able to increase it from cuttings. This is a blessing now that it costs £1.50 per plant. For this is a shrub to be massed beneath the shaded wall of a house, preferably in a good form from a reputable nursery, as certain "japonicas" colour less vividly and flower less well. Allow about four or five feet for each plant in which it can spread; its leaves contrast pleasingly with those of a big-leaved Bergenia, also an evergreen. I have one bush of Mahonia in a sunny site, however, and I note that its flowers this winter exceed any in shade. This makes me suspect that, like so many others, *Mahonia Japonica* is a shrub which tolerates a sunless border, but is not seen at its best in it.

Perhaps you feel that hot summers will not be repeated and that winter flowers are not worth your while. But there are so many possibilities, none of them demanding or too rampant for small gardens. Reckoning on another hot 1976, I am stocking up odd corners with flowers to console me through the cyclical gloom of early 1977.

Lorries 'should play key role'

BY DONALD MACLEAN

THE LORRY should play a key role in Government policy for goods transport, the Road Haulage Association has told Mr. Anthony Crosland, Secretary for the Environment.

A consultative document on Government transport policy is expected to be published in about six weeks.

The RHA proposes that the permitted maximum weight of goods vehicles should be increased from the present 32 tons gross and ten tons axle weight to 40 tonnes and 11 tonnes, respectively. There should be "amendments of hours restrictions and distance limitations" prescribed in European Economic Community regulations, as well as "withdrawal or at least fundamental amendment of the Dock Work Regulation Bill."

There is "no doubt," the association says, "that the scheme of registered doc klabour has had a seriously adverse effect on Britain's docks. The Dock Work Regulation Bill would have a similarly disastrous effect on substantial and efficient sectors of the road haulage industry," as well as on related industries.

Opportunities to move goods by rail are "relatively few," it is argued, "and compulsory transfer cannot be justified on economic or environmental grounds."

● The bus and coach industry has asked for "urgent talks with the Treasury regarding the damaging effect of fuel tax on its public services," the Confederation of British Road Passenger Transport said yesterday.

WINTER OLYMPICS

Swiss pair dominate men's giant slalom

INNSBRUCK, Feb. 10.

SWISS skiers Heini Hemmi and Ernst Good took the gold and silver medals in the men's giant slalom at the Winter Olympics here to-day. Hemmi, 27, edged to victory two-tenths of a second clear of his 26-year-old compatriot.

The Swiss pair held off a tremendous challenge from 19-year-old Swede Ingemar Stenmark who improved from eighth place in yesterday's first leg to take the bronze medal. Stenmark's time of one minute 40.90 seconds was easily the fastest on the tricky, 73-gate second-leg course.

The overnight leader, Gustavo Thoeni of Italy, the defending champion, was never able to find the punch of yesterday and fell steadily behind throughout the 1,200-metre course to finish fourth.

Fifth place was taken by American champion Phil Mahre while a third Swiss racer, Engelhard Pargaetzi, finished sixth. Before the second leg, trainers described the course set by Switzerland's Peter Franzen as one of the most difficult they had ever seen.

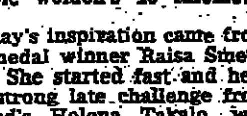
Hemmi's second-leg time of 1:41.56 was the second best of the day behind Stenmark and gave him a winning aggregate of 3:26.97. Good clocked 1:42.57 for a 3:27.17 total while Stenmark's outstanding performance left him on 3:27.41. Thoeni was timed at 1:43.48 for a 3:27.67 aggregate.

At Seefeld, the Soviet Union gave the rest of the world another lesson in cross-country skiing, sweeping two medals and four of the top six places in the Olympic women's 10 kilometre race.

To-day's inspiration came from gold medal winner Raisa Smetanina. She started fast and held off a strong late challenge from Finland's Helena Takalo, who came second.

Miss Smetanina's Russian teammate Galina Kulakova—deprived of the five-kilometre bronze because she took a banned drug by mistake—was third again to-day. "This time I avoided all medicines for my cold," she said wryly.

In addition, the Soviet Union drew first blood in the men's



speed skating competition, winning the gold and silver medals in the 500 metres. World record holder Exgeni Kulikov, a 25-year-old student, won an Olympic record in 39.17 seconds after thinking it would not be fast enough. Team-mate Valeri Muratov was second in 39.25 seconds and Dan Immerfall of the U.S. took the bronze in 39.54.

East Germany ruled as undisputed kings of the toboggan track when completing a hat-trick of gold medals in the two-seater event at Igls. Hans Rinn and Norbert Hahn swept aside all opposition in the two-run series to match team-mates Detlef Guenther and Margit Schumann, who won the individual titles last week-end.

In the women's figure skating, Isabel de Navarre of West Germany led after the compulsory figures to-day but America's Dorothy Hamill established herself as the favourite for the gold medal. Miss Hamill was second, comfortably ahead of world and European champion Dianne de Leeuw in what is considered to be a straight fight for the title between the two.

Miss de Leeuw, a Californian who chose four years ago to skate for Holland because her parents are Dutch, usually needs a margin over Miss Hamill in the figures to protect her against the America's superior free skating.

Miss de Navarre is considered an inferior free skater, and will probably drop from contention as the event progresses.

To-day's programme (GMT): 8 a.m.: men's 4 x 10 km. cross-country; 8.30 a.m.: men's 5,000m. speed skating; 10.30 a.m. and noon: women's slalom; 1.30 p.m.: women's figure skating, short programme; 1, 4 and 7 p.m.: ice hockey; 6.30 p.m.: men's figure skating, free.

FT CLIPPER RACE — BY ALEC BEILBY

GB II out of the Doldrums

GREAT BRITAIN II, leading the way home in the Financial Times Clipper Race by almost 1,400 miles, is now through the Doldrums and has entered the area of the north-east trade winds 660 miles due south of the Cape Verde Islands.

Less than 3,000 miles from the Dover finishing line her skipper, Roy Mullender, and the crew have been able to maintain regular radio telephone contact with radio operators in Britain. Last Friday they sent a message of loyal greeting to the Queen on the anniversary of her accession to the throne. The Queen replied, via her private secretary, who said that the message was greatly appreciated.

Launched by Princess Anne, the yacht has a tradition of sending signals of this sort, having sent Princess Anne a signal on her wedding day. The feeling that the end of their impressive voyage is at last in sight has obviously lifted the spirits of the crew and they have been sending replies to demands for information in verse, but all this in the midst of damage to sails when a piece of extruded wire in the rigging tore three vital sails. These have been repaired as the crew brace themselves for the end of the momentary warmer weather of the tropics and head for the colder latitudes.

While the leading crew sail home in lighter mood, the French, who rounded Cape Horn on Sunday in fine weather, are suffering the frustrations of light winds that have slowed their impressive dash across the Southern Ocean appreciably, though they are still almost three days ahead of the time for this part of the voyage set by Great Britain II.

The French are now approaching the Falkland Islands where the Italians stopped for almost a week to repair rigging and their main radio. Radio repairs delayed them but they were reported to have sailed on Thursday last week and have not reported since.

The Dutch crew of The Great Escape continue to report their position via Great Britain II, though other details of life aboard their yacht are sparse, but in Sydney the favourite expression of her skipper, Frieslander Dirk Nauta, was "No news is good news." Maintaining an average of a little more than 150 miles a day through the South Atlantic she is, in fact, making up ground on the Australian ketch Anaconda II which, although the largest yacht in the race, continues to sail a mere 90 miles off the South American coastline, now to the south of Recife, Brazil.

These waters are notorious for their calms and problems with wind for sailing ships as well as being a main shipping route. Having been within 600 miles of Great Britain II 10 days ago Anaconda II is now more than 1,300 miles astern and the distance between her and the Dutch is a little more than 1,000 miles.

Meanwhile, with the date of arrival of the leading yacht at Dover still predicted to be between February 27 and 29, preparations to welcome the yachts are well in hand with a reception by the harbour board at the Royal Cinque Port Yacht Club. All crews will call at Dover to clear customs and immigration formalities before sailing on to London for further welcoming receptions there, based on St. Katherine's Haven, from where they sailed to the start at the end of last August.

RACING — BY DOMINIC WIGAN

Red Rum on trial at Haydock

RED RUM, who is a clear favourite at 9-1 in most betting lists for the News of the World sponsored Grand National in seven weeks' time, will have to win to-day's Haydock Park National Trial (2.30) if he is to maintain his market position.

Mr. Noel Le Mare's remarkable 11-year-old, who will be bidding for a third Aintree triumph on April 3, has 11 st. 7 lbs. in to-day's race—7 lbs. less than when he ran out a comfortable winner from Glen Owen and Meridian II a year ago.

Although this afternoon's task would almost certainly not be beyond Red Rum at his best, he has shown little sparkle in all but one of his six races this season, and I believe backers may fare better with that progressive seven-year-old, *Rubstic*.

Rubstic, who gained an easy victory over this 3½-mile course and distance when giving Paddy's Best 21 lbs. and a 2½-lengths beating in the St. Helens Chase 10 weeks ago, is 9 lbs. better off this afternoon with Forest King for the length by which he went under to the Troutbeck gelding in the Northern Trophy Chase at Newcastle recently. On the revised terms Rubstic ought not to be hard pressed to gain his revenge.

Lord Browndood, who had the misfortune to come up against Floating Pound in the Embassy Premier Chase final here three weeks ago, is another who seems sure to make his presence felt provided that he gets the trip. However, his stamina has to be taken on trust, for he has never attempted more than three miles in public before.

Cheltenham Gold Cup favourite, Captain Christy, has been scratched because of a leg injury suffered at work. Brown Lad is the new favourite.

Arthur Stephenson, who is, surprisingly, without a runner in the National Trial, could well win the races on either side of the feature event. In the Lancashire Hunter's Chase (2.00) I shall be surprised if *Abercrombie* fails to deal with his nine moderate opponents; while *Relkotime* is a less confident choice for the Wigan Selling Hurdle an hour later, in which the Aggressor filly, Adored, seems sure to make her presence felt.

Yesterday in London Lord Porchester, the chairman of the Race Planning Committee, which acts as a permanent watch-dog over the pattern of Britain's classic and prestige races, spelled out the need for close international co-operation in the framing of feature events in the major racing countries.

Lord Porchester also stressed that unless the group system agreed by the English, French and Irish authorities in 1970, in which Pattern races are divided into groups 1, 2, and 3, according to their importance, is maintained satisfactorily there will be a renewed threat to the survival of international racing.

HAYDOCK

1.30—Tingalary
2.00—Abercrombie***
2.30—Rubstic**
3.00—Relkotime
3.30—Co-partner
4.00—Romany Star

FONTWELL

2.45—Jan Stewer
3.15—I'm Smart*
4.15—Dyscole

SALEROOM — BY ANTONY THORNCROFT

Furniture record for Phillips

PHILLIPS deserves pride of place among the salerooms yesterday. It held the most successful furniture auction (in terms of turnover) in its 200-year history. In all £92,670 was bid for English and Continental furniture. A feature of the sale was the number of lots sent from the Continent for disposal in London.

In particular some items shipped from Milan fetched high prices as British and Spanish dealers out-bid Italians keen to repatriate the furniture. An 18th century Genoese floral decorated commode was bought by Wilson for £2,600 (estimate £2,000) and Riestri of Madrid paid £2,400, well above forecast, for an antique Venetian lacquered chinoiserie bureau bookcase.

The top price of the day was the £4,100 (double the estimate) from A. and F. Gordon for a 19th century inlaid ivory side cabinet, while Ridd paid £3,700 for an 18th century South German walnut and ivory inlaid bureau cabinet, cautiously estimated at £800. An 18th century Danish laburnum and walnut commode went to Stanner for £3,100, also far above forecast, and the Petite Musee of Montreal gave £3,200 for a 19th century French ormolu and Sevres porcelain centre table.

The same buyer bought, in all, 16 lots, mainly consisting of 18th and 19th century ivories. A German ivory Corpus Christi, 36 inches high, on an ebonised crucifix, which had lain in a Hertfordshire garage for many years, was acquired by Noble for £3,500, around double forecast. Phillips also held an art nouveau sale, which brought in £9,628, and a first sale in Leeds, which made £14,630.

The Christie's print sale realised £45,295, with less than 5 per cent. of the lots unsold. A set of lithographs from the "Traite de Fauconnerie," published 1844-53 by Hermann Schlegel and A. H. Verster de Wulverhorst, was bought by Evens for £2,200, and a watercolour of Lake Geneva by Johann Anton Linck went to a private buyer for £1,200.

There was also a modest auction of miniatures and objects of vertu at Christie's which managed some good prices. A miniature of a lady by Moritz Michael Daffinger sold to a German dealer for £950 (over three times its estimate) and an enamelled gold pendant by Henry Wilson, around 1910, was bought by the Fine Art Society for the same price.

S. J. Phillips bought an Italian gold pendant and a pair of ear rings of around 1840 for £850 and a George II silver fob chain for £620. The National Portrait Gallery gave £480 for a miniature of Richard Lovell Edgeworth by Horace Hone and £100 for a miniature of Dr. Thomas Beddoes by Sampson Towgood Roche.

At Sotheby's there was a very high price of £2,400, paid by H. Moss, for a Chinese snuff bottle with a rare interior painted portrait. In all the auction made £21,827. Armour and guns totalled £42,982, with a highest price of £3,000 for a pair of Holland and Holland double barrel, 12-bore, sporting guns. A pair of sidelock ejector guns from Boss and Co. sold for £2,100, and a pair of flintlock duelling pistols made by D. Egg in 1810 was bought by the Petit Musee of Montreal of £2,000.

TV/Radio

† Indicates programmes in black and white

BBC 1

7.05-7.55 a.m. Open University. 9.15 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 To-day at the Winter Olympics. 1.45 Teddy Edward. 1.50 The Mister Men. 2.01 For Schools, Colleges. 3.30 Day and Night. 3.58 Regional News (except London). 4.00 Play School. 4.25 Deputy Dawg. 4.30 Jackanory. 4.45 Screen Test. 5.05 John Craven's Newsround. 5.15 Kizzy.

5.45 News
6.00 Nationwide
6.50 Men of Action "Devil-Ship Pirates" starring Christopher Lee
8.15 The Morecambe and Wise Show
9.00 News
9.25 Olympic Grandstand
10.50 To-night
11.25-11.27 Weather / Regional News

All Regions as BBC-1 except at the following times:—

Wales—5.15-5.30 p.m. Lion a Llwyd. 5.30-5.35 Ffliwc! 5.35-5.45 The Clangers. 6.00-6.50 Wales To-day. 6.50-7.15 Heddiw. 7.15-7.45 Pobol Y Cwm. 7.45-8.15 Steptoe and Son. 11.25 News and Weather for Wales.

Scotland—10.23-10.43 a.m. and 2.40-3.00 p.m. For Schools. 6.00-6.50 Reporting Scotland. 11.25 Scottish News Summary.

Northern Ireland—10.20-10.45 a.m. For Schools: Ulster in Focus. 3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 10.50-11.20 Spotlight on what matteras to people in Northern Ireland. 11.20 Northern Ireland News.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle), Midlands To-day (from Birmingham), Look East (from Norwich), Points West (from Bristol), South To-day (from Southampton), Spotlight South West (from Plymouth).

11.45-11.50 Closedown. Joy Parker reads 'Mr. Bleaney' by Philip Larkin

BBC 2

6.40-7.55 a.m. Open University
10.35 Nai Zindagi Naya Jeevan
11.00 Play School
5.50 p.m. Open University
7.05 On Union Business
7.29 Weather
7.30 Newsday
8.00 The Fishing Race
8.25 Arena
9.00 Nana Mouskouri
9.45 Just a Nimmo
10.15 The Glittering Prizes
11.30 Newsnight

LONDON

9.30 a.m. Schools Programmes. 12.00 The Adventures of Rupert Bear. 12.10 p.m. Pipkins. 12.30 Mr. and Mrs. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 About Britain. 3.25 There Goes that Song Again. 3.55 General Hospital. 4.25 How. 4.50 The To-morrow People. 5.20 The Flintstones.

5.50 News from ITN
6.00 To-day
6.35 Crossroads
7.00 This is Your Life
7.30 Coronation Street
8.00 And Mother Makes Five
8.30 Oh No It's Selwyn Froggitt
9.00 Life and Death of Penelope
10.00 News
10.30 The Wednesday Special
11.05 Day of the Champions
11.35 Wrestling
12.05 a.m. What The Papers Say
12.20 Rites and Ritual.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Hogan's Heroes. 6.00 About Anglia. 12.05 a.m. The Big Question.

ATV MIDLANDS

1.25 p.m. ATV Newsdesk. 5.20 ATV To-day 1 including Junior Police Five. 6.00 ATV Today II.

BORDER

12.30 p.m. Untamed World. †1.20 Border News. 5.20 Supersonic. 6.00 Border News and Lookaround. †12.05 a.m. Border News Summary.

CHANNEL

1.25 p.m. Channel Lunchtime News and What's On Where. 5.20 Supersonic. 6.00 Channel News. 6.10 Link Up. 12.05 a.m. Epilogue followed by News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 Thrillseekers. 5.45 Police Newsroom. 6.00 Grampian Today. 12.05 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Granada Reports. 6.30 University Challenge. 11.35 What The Papers Say. 11.50 Wrestling.

HTV

12.30 p.m. Bygones. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Survival.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Rhifeddodau. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

11.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Laceybuttonpoppers. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Scotch Corner. 12.05 a.m. Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 12.05 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 5.20 Today Before Six. 6.00 Today At Six. 11.35 Chess Masterpieces. 11.40 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.25 Ulster News Headlines. 5.20 Out Of Town. 6.00 UTV Reports.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Supersonic. 6.00 Westward Diary. 12.05 a.m. Westward Late News. 12.08 Faith For Life.

YORKSHIRE

12.30 p.m. Bygones. 1.20 Calendar News. 5.20 Calendar. 6.00 Calendar.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (also Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.25 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pros and Cons (S). 7.30 The Great American Railroad. 8.02 All Time Hit Parade (S). 9.30 Sing Something Simple (S). 10.02 Sports Desk. 10.05 Command Performance (S). 11.02 Jean Challis with The Late Show (1500m only, also 202m Scotland). VHF Joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Your Midweek Choice, part 1 (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer: Britten (S). 9.55 St Albans 75 (S). 10.30 Tommy Reilly Plays Harmonica recital (S). 11.10 Arena Festival 1975 part 1: Brahms (S). 12.00 Interval Reading. 12.05 p.m. Concert part 2: Brahms. 1.00 News. 1.05 Concert Hall (S). 2.00 Royal Repertoire (S). 3.05 Song Recital (S). 3.45 Youth Orchestras of the World, part 1 (S). 4.30 John Westcombe talks to Anthony Friese-Green. 4.30 Concert, part 2. 5.00 Choral Evensong. 25.45 Homeward Bound. 26.05 News. 26.10 Homeward Bound (continued). 26.30 Lifelines: Language and Communication. 7.30 The Art of Charles Panzera (baritone). 8.00 Royal Philharmonic Society Concert, part 1: Mozart, Britten (S). 8.55 The Arts Worldwide. 9.15 Concert part 2: Mussorgsky, orch. Ravel (S). 10.00 Scientifically speaking. 10.45 Ligeti concert (S). 11.00 Mozart Concert Arias (S). 11.25-11.30 News.

Radio 3 VHF only—6.20-6.30 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sports-desk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 The Living World. 9.35 The Moon's A Balloon. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Sweet Songs of Zion. 11.30 Thirty-Minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Top of the Form. 12.55 Weather programme news VHF (except London and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Learic Constantine. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Oh, Get On With It. 6.45 The Archers. 7.00 News Desk. 7.30 It's Your Line Special. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 In The News. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Quest. 8.30 Soul 77. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

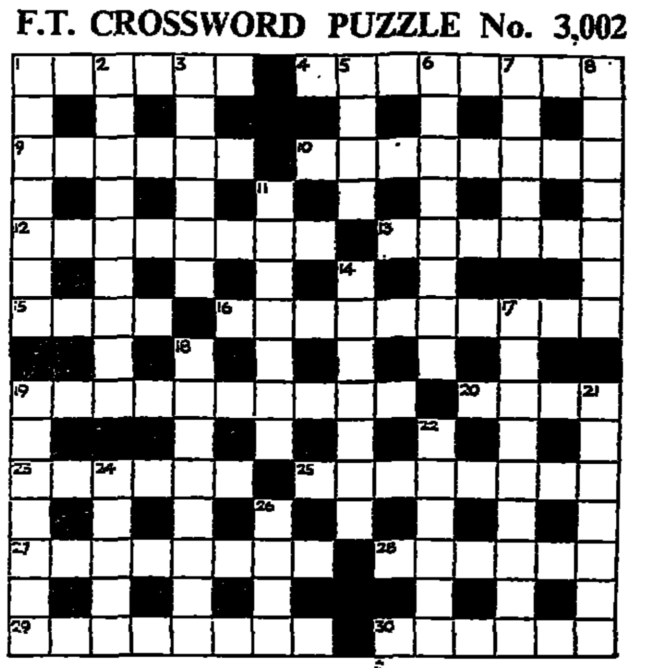
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Jazz in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,002



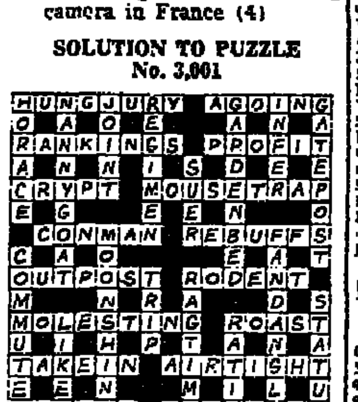
ACROSS

1 Well-suited tipster after copper (3, 3)
4 Inclination for a swan-song (8)
9 Current admission of paternity in broken English (6)
10 "The —— of these is charity" (NT) (8)
12 It's the end of hangings (8)
13 Territory often disputed gives sanctuary to debtors (6)
15 Sayings that can be cutting (4)
16 Let us take a squint at the solution (10)
19 Drink for the naturalist in Australia (4, 6)
20 It means disaster when the railway union gets back about one (4)
23 The native sailor might turn out a rascal (6)
25 Temple - haunting birds, according to Banquo (8)
27 Wine gets round in a musical instrument (8)
28 Nothing in code can be gloomy (6)
29 Smith, Smith, Smith and Son for example (8)
30 It is something to stick me in the money (6)

DOWN

1 "Wherein I spake of most disastrous ——" (Othello) (7)
2 Good social background makes the best draughtsman (3, 6)
3 Arab community surrounds the expert in a tumult (6)
5 Features a loan from the Romans (4)
6 Film star gets round a clergyman (8)
7 Artist turns up with a girl at the scene of action (5)
8 Ties up the rest in confusion (7)
11 After this month the mineral is ready to use (2, 5)
14 Excellent in architecture (7)
17 Rodent hide-out in the West Country (9)
18 A thought to please the visionary (8)
19 This bird could be kept in place (7)
21 Coming into existence like money from the North (7)
22 Familiar with a reception (2, 4)
24 Impression made by a good man on a politician (5)
26 Something essential for a camera in France (4)

SOLUTION TO PUZZLE No. 3,001



هكذا صدر الأصل

Leonard Burt

...wis, Janine Duvitski and Joanna McCallum in the Young Vic's production of 'As You Like It,' which opened last night

...eth Hall

...öderström/Ashkenazy

...nly to be expected that ...ramme of the first ...cital to bring together ... Söderström and ... Ashkenazy would be ... interesting, varied, and ... both in parts and as a ...hat was not to be ...n, and must now be ... is the sparking ... their rapport. Miss ...'s excellence as a ...er charm, intelligence ...unicative warmth, are ... Ashkenazy as accom- ... the unknown factor ...t was hardly likely ...ianist of his deep ... would not prove ...n Monday his playing ... beyond mere worthi- ...d to the singer as by ...erience, it built a ...luminous and often ...ly beautiful platform ... out of his wonted, ... gifts as a soloist.

...mann's *Frauenliebe* ... cycle, which occupied ... first half, it was the ...t finesse of his play- ... at times too soft, ... for some listeners ...ck in the hall) that ...y spun, and held, the ... Schumann's emotions; ...öderström's voice was ... be slightly unreliable, ...wing of tone at one moment, slightly ill-formed and shaky the next, with the low lines sketched rather than firmly drawn. It was an exceptionally fresh and impulsive view of the cycle she and the pianist had together planned; the tempo was always flexible enough for sudden bubbles and gusts of delight, free enough to allow the singer's apparently spontaneous illumination of feeling full play. It was, in fact, so invigorating, and then moving, a performance, that one wished only for the solid core of tone that would most happily ensure interpretative freedom, that would, for instance, permit the soft utterances in "Süsser Freund" that the soprano was unable to match with the piano.

Schumann's songs were much the most demanding of the evening—more than the opening group of four, three in Swedish, one in German, by the Finnish composer Kilpinen. Each was a clearly patterned miniature lightly and definitely shaped by the singer; the last, "Der Spuk," a delightful "duet," reminded one, if reminder were needed, of the singer's special way on stage with teasing, capricious comedy. Six Rakhmaninov songs after the interval brought the third language of the evening (Russian—and, typically Miss Söderström still had Hungarian to follow), releasing in the voice timbres and colours at once more passionate and more unstintingly accomplished. Listening to the long, masterly mockery of "Fate," brilliantly narrated and dramatised by singer and pianist, it was hard not to recall in amazement Rosa Newmarch's disdainful remark (in Grove's 5th edition) about the composer's "artificial and gushing tunes." The final "A-Oo-!" could not have been, in this performance, more naturally felt.

As finale, to throw a strong pinch of salt into the mixture, were Bartok's *Village Scenes*, five settings of Zvolen folk-songs in which the piano rubs and cuts on the voice with no concession to the usual dainty requirements of folksongs diluted for the concert hall. Here a pianist who has Prokofiev tamed under his fingers can make a stirring effect; in the final "Boy's Dance," the rhythm was electric. The basic quality of Miss Söderström's voice is possibly too "cultured," too sophisticated and lacking in bite, to bring off the music with wholehearted gusto; her ululations in "Wedding" were, even so, joyfully uninhibited.

MAX LOPPERT

...sion

World in Action

...lay with its account of ...rysler negotiations ...elevision strengthened ...y powerful claim to ... most effective mass ...n Britain for the ex- ... of constitutional cur- ... Some may feel that ...ed *World In Action* ...tually a *State of the* ...ial produced by Brian ...ompiled by Norma ... directed by Baz ...s nothing to make a ... since it was similar ... ways to previous ...s.

... *Know What I Meant* ...ide a vaguely similar ...on of Watergate ...t that starred Nicol ... and was made by Jack ...ama director. More ... it was taken entirely ...rbatim recordings. ...eries on *The State of* ... on the other hand, ... *verité* film of civil ...and politicians, or ...liticians in "playing" ... in mock-ups of real

...*and the Cabinet: How* ...*as Done* used seven ...rnalists to represent ... in the story. They ... intelligence gained ... correspondents and ...ed" as accurately as ... key meetings of ...binet committee, and ...otiations, playing the ...isters themselves. ...tingly, though un- ... the question of the ...lationships between ...r, the Chrysler nego- ... Eric Varley remained ... In all other respects ...mme brought some admirable lucidity to the business.

Terry Kirk

David Watt

It may seem clannish, but it is also true to say that the best account of the affair that I had come across previously was that of David Watt in the centre page of this paper. On Monday Watt "played" Wilson to *Guardian* man Peter Jenkins's Lever, *Observer* correspondent Adam Raphael's Varley, other Ministers being represented by Hugh Stephenson of *The Times*, and David Kemp of Granada. Presumably as junior reporters they must all have spent the long door-stepping hours together playing charades, because the standard of acting without exception, was amazingly high (and Raphael with his matinée idol look would be a wow on stage).

That is unimportant. What is very significant is that it was ITV's Granada which made this programme and got it passed by the IBA and on to the air, at a time when the best that the BBC can do towards throwing light on politics is *Politics Now*, which looks like a paternalistic and didactic schools series of the early '50s.

A walkover to Lapping, Percy, and Granada.

CHRIS DUNKLEY

Drury Lane

Be-bop Deluxe

With two dazzling flashes of light, a considerable density of smoke, and some flickering fairy lights Be-bop Deluxe was launched at London on Sunday night at one of those knowing audiences which always gather to cast a critical eye over a record company's latest expensive flight of fancy.

Be-bop Deluxe are being groomed by EMI as this summer's musical sensation and since EMI can hardly count the cash it has been raking in from its current protegés, Queen, they demand some attention. As always the advance publicity flatters them, but only slightly. Be-bop Deluxe are really quite good, and provide further proof that musical tastes are switching away fast from heavy, sense crushing, electric rock, and towards a more melodic musicianship. It wasn't by chance that the interval music was old George Formby and Big Band records.

I can't say that I caught all of singer guitarist Bill Nelson's lyrics but he obviously wanted me to, and Be-bop Deluxe definitely play songs. They are mostly Nelson's own compositions, and he has a keener ear for words than tunes. But songs like "Ships of the Night" and "Maid in Heaven" are fine by any standards and exceptional from a still inexperienced group.

This inexperience produced a rather stiff performance but Nelson, significantly soft voiced and short haired, gradually came to terms with the conceited audience, and he was well backed by a bassist Charlie Tumahai (who looks frighteningly like Jimi Hendrix), drummer Simon Fox, and a keyboards player, Andrew Clarke, who seemed rather marooned from his fellows.

Nelson makes Be-bop Deluxe, and as he begun to pour out fresh and imaginative guitar runs you could see why EMI has invested in this bunch of committed musicians. It was a pity that the group was lumbered with all these stage effects, including a quite distracting screen showing a very old Faust movie, and a contrived finale, involving a guitar bonfire. Be-bop Deluxe will make it if there is a big enough market for sophisticated well constructed, rock songs. They are too serious to be showmen.

ANTONY THORNCROFT

Television

Conversation pieces

by CHRIS DUNKLEY

The standard of talk on television is at a low ebb again. There is always an immense amount of talk sloshing about in the box, but sometimes the tide is high and sometimes very low. Last time I wrote specifically on the subject, in August, 1974, we were in the middle of an enjoyable flood: Wynford Vaughan-Thomas was luxuriating in his own eponymous series on Thames (he has been appearing in a variety of rather badly produced programmes ever since) and on BBC1's *Personal Choice* people such as Twiggy and Lord David Cecil were talking with animation and very obvious enjoyment.

These three people—Vaughan-Thomas, Twiggy and Lord David—illustrate a vital requirement of television talk: genuine interest on the part of the talker.

This is not to say that the film actress who goes along to the chat show primarily to puff her latest film, or the thriller writer who goes mainly to promote his new book, will necessarily turn to be be an uninteresting conversationalist. But it does mean that when public relations work is the prime, motive the quality of conversation is likely to be a good deal lower than it would be if people were chosen for what they had to say and for their ability to say it.

However, television in general (and Michael Parkinson in particular, of whom more later) is a great believer in the star system. Among the producers and anchormen of talk shows there seems to be a powerful if rarely enunciated belief that once you have achieved stardom—whether it be as an ice dancer, boxer, or high wire artist—you are equipped to do absolutely anything else that television may ask of you.

This comes out irritatingly, and with a strong whiff of paradox, on *Read All About It*, BBC1's Sunday evening series about paperback books. There is much to admire about the programme: it packs tremendous value into 30 minutes, and manages to broadcast some genuinely astringent—sometimes even scathing—judgments about books, making one wish that plays and films were as easily brought into studio for similar scrutiny.

But (and here is the paradox) many of the opinions are delivered to camera by sportsmen, actors, actresses, trade union leaders and what have you, whose tastes and standards in books are completely unknown, while the one man who appears regularly every week and could establish a yardstick for his audience, who is himself a practising novelist, and whose opinions I would value most, is the person who says least: editor and presenter Melvyn Bragg.

I have yet to see a completely inarticulate guest on the programme (though some have come pretty close) but I cannot share the implicit belief not only that everyone *is* entitled to an opinion but that all opinions are equal in the eyes of the viewer. I would not go to a doctor to draw up a will, nor to a lawyer for an opinion on stomach ache, and I do not see why expertise as a comedian or actress should be expected to qualify anyone as an evaluator of books.

In fairness, however, it should be said that *Read All About It* does not limit its guests exclusively to showbiz personnel; last week V. S. Pritchett discussed Knut Hamsun, and every week at least one author appears, if only to undergo a brief inquisition.

The *Parkinson* show, on the other hand, appears to work entirely on the assumption that the only thing better than a star is a superstar (whatever the difference may be — sheer word inflation, presumably; watch out for the first superstar GT) and on the assumption that the acquisition of super-stardom automatically makes the opinions of the acquirer, the details of his

The Entertainment Guide is on Page 20

childhood, and the cataloguing of his likes and dislikes utterly fascinating to the rest of us — precisely the assumptions on which the fanzines of Hollywood and the world of pop have always been based.

Introducing his first guest this week, Parkinson announced that he had once described himself as "a boring little midget who's reached the top without the aid of payola. He has only four chords and is prone to getting fat at Christmas." Far be it from me to contradict Elton John on the one subject where his opinion clearly should be trusted, but to Parkinson the boring little midget is a superstar.

"Good evening. My two guests to-night are home grown superstars" were his first words. Later he said: "My other guest is reputed to earn £2m. a year . . . like Michael Caine he came from an ordinary background and became a superstar." Later still: "The thing, actually, that occurs to me about the two of you is that in this superstar bracket you've both got roots . . . ." And towards the end of the show: "You are the two superstars in this country who have not gone to a tax haven abroad."

Now, as I discovered the first time I saw Michael Caine on a chat show, he can talk interestingly about himself, and certainly humorously. He is not, however, worth a full half hour of undisciplined gossip. Who is? The extraordinary thing is that that is what we get. Judging from Parkinson's complaints about people who just don't understand the hidden tensions and difficulties of his job, you might imagine that he is forever asking his guests acerbic, or at least searching, questions. Yet you would be quite wrong.

(Be honest now, though, sneer as I may, when it really comes down to the nitty gritty, would I actually have the guts to walk out there and sit down in Parkinson's chair and have a shot at the job myself? You bet I would—and so should any self-respecting teacher, barrister, businessman, actor, or anyone else used to speaking in public.)

This week an equally somnolent atmosphere pervaded *Russel Harty*, though this is not always so. At the start of the programme Harty gave a slight metaphorical push to Sir John Gielgud a charming raconteur who is perhaps just a little bit too much aware of being a charming raconteur, and allowed him to coast downhill all the way to the end of the show. Most weeks the interesting part of *Russell Harty* is working out what the host's questions actually mean, but this week there were so few that the opportunity rarely arose.

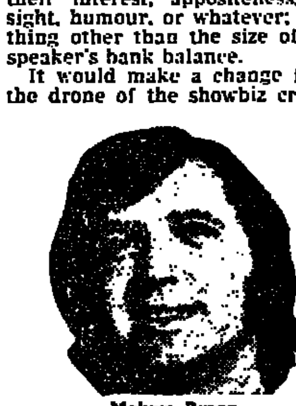
The best I can offer is: "You've always, have you not, throughout your life, in a kind of way, had your own way, er, finally? I mean I won't say you've been selfish, but can we go back to school? You certainly organised your school days on a kind of —." The astonishing thing is that Sir John happily took it up from there.

It goes against the grain to have to say it, because I intensely dislike his "silly ass" style of acting, but Derek Nimmo's show, *Just A Nimmo*, is better value than *Parkinson* or *Russell Harty*. Even though the film of his own derring-do on a bucking bronco in last week's programme was an old clip that we'd seen before, the series as a whole is inherently more interesting because each programme is organised round a subject (dangerous occupations last week) and the guests chosen accordingly. Nimmo strikes me as a better chat show host than actor.

Yet I would not want to imply that there was any really fascinating talk going on even in *Just A Nimmo*. "Blaster Bates" is a quirky man, Clare Francis sailed alone across the Atlantic and might have useful insights for us, and Julian Pettifer is a practised performer, but not one of them is new to television, and as it turned out not one had anything very original to say.

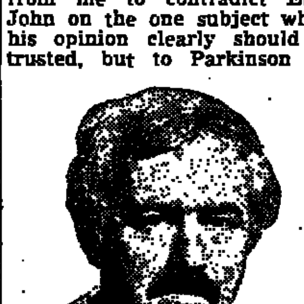
The programme I am waiting for is *Esther Rantzen's People Show*. This would be an expansion into a whole programme of the vox-pops which at present open *That's Life*. Provided there was no suspicion of the patronising tone which (I think) I occasionally detect this could be a genuinely original talk show with the pronouncements of the participants—be they superstars or sandwichmen—selected for their interest, appositeness, insight, humour, or whatever: anything other than the size of the speaker's bank balance.

It would make a change from the drone of the showbiz crowd.

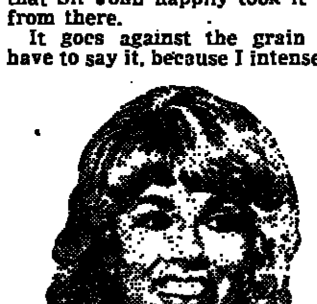


Melvyn Bragg

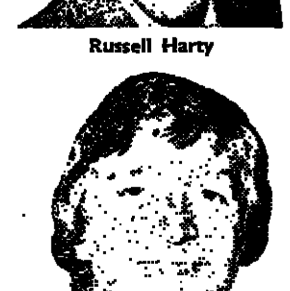
Russell Harty



Godfrey Hodgson



Esther Rantzen



Michael Parkinson

New College, Oxford

Intermodulations

by DOMINIC GILL

In 1969 the composers Roger Smalley and Tim Souster came together with the percussionist Peter Britton and the bassoonist Robin Thompson to form Intermodulation—an ensemble specialising in the performance of live electronic and other new music. For seven years the group has played a significant role in the development of this country's new-musical life, appearing frequently in London, bringing new works to the Proms and touring them in the provinces—and abroad too, working closely with Stockhausen in Germany. But Thompson has now gone to study in Japan, and Smalley leaves soon to take up a university appointment in Australia. Intermodulation's concert in New College chapel on Sunday night was probably their last in England for some time.

The programme included a recent work each by the ensemble's two composers—with nice relevance, a four-track tape-piece by Smalley called *Dijeridu*, which briefly but imaginatively explores and transforms the sound of the native Australian instrument; and a new version of Souster's more elaborate and ambitious *Spectral* for viola, tape-delay and three synthesisers: this last, a rather beautiful homage to the song of the hump-backed whale, complex in effect but cunningly achieved by essentially very simple means.

Of Adrian Jack's *You told me so yourself* . . . played by Smalley, Souster and Britton on three electric keyboards, I could make very little. Difficult to understand either the pleasure or the purpose of its simple four-bar phrase, repeated for 15 minutes, modified only by a few fairly obvious rhythmical changes, wholly in unison. The composer notes that the work "is *not* a systematic piece . . . does *not* manipulate or permutate note-patterns on a systematic numerical basis." At least if it had been, it might have shown some communicable sense of scheme or direction. Would it sound marginally more interesting — for reasons of purely physical tension — played on acoustic instruments?

Intermodulation finished with a performance of a Stockhausen text-piece, *Vibration*, from *Aus den kommenden Zeiten*. It was a performance which, for me at least—in spite of some impressive sound-events and a very beautiful last, long dying cadence: and perhaps also partly because of the bone-freezing, ear-freezing climate of New College chapel—never entirely came together or perfectly gelled. All the same, as an event, it had its moments of enchantment: a delicately (and in words) incommunicable sense of the *now*—as Stockhausen has it—of the music, rather than the *what* that is objective grist to the music reviewer's mill.

Victoria, Stoke-on-Trent

The Silence of the Sea

Peter Cheeseman and his company have translated and adapted this simple tale from the French of Jean Bruller, who wrote the original in the Occupied France of 1942. An ageing narrator and his niece are holed up in a remote country town suddenly visited by a small group of Nazi soldiers. One of the soldiers is billeted in the house, which begins to exert a strange effect on his tongue-tied aloofness. The literature lining the walls, the neat little harmonium with music open at a Bach Prelude, the haunting, persistent accompaniment of the winter drizzle and, above all, the quiet dignity of his hosts—all this draws him to glowing improvisation on the universal harmony of man's existence.

The piece is as precious as it sounds; until, near the end, the soldier returns from Paris horrified at the intention of his colleagues to destroy France's soul and make of her a grovelling bitch. Until this point he has airily declared himself a Francophile at heart, convinced that political compromise will in the end pay aesthetic dividends. But what brings home the truth to him is not the brutality of war, but the suppression of literature. One feels that M. Bruller, who knew all about this at first hand, writing and printing under the name of Vercors, at last unleashes some real passion. The soldier, only flimsily characterised by a gammy leg and a Germanic exactness of manner, puts in a request to be posted to the Russian Front.

The tale is told simply but ponderously, the old man popping in and out of the scenes as a golden-hearted pipe-smoker and watchful uncle. Jim Wiggins lets not a detail slip by without ramming it home with deadly emphasis. Sometimes this works; more often, it's like listening to *Play School*. The daughter, silent and modest until bidding the soldier goodbye with a frog in her throat, is well posed by Jenny Howe. And Bruce Alexander refuses to succumb to the banality of his speeches.

The play runs for 90 minutes and is followed after an interval by *The Great Theatre Show* in which seven lively performers sing songs, recite poetry and generally set out to prove that theatre need not be mysterious or clever. They succeed, but I am not convinced of the point of their proposition. But I suppose it comes into the category of "A Good Night Out." My favourite item was a wicked rendition of Charles Macready as Othello giving Fanny Kemble, his Desdemona, a bruising time on the death bed.

MICHAEL COVENEY

WORLD TRADE NEWS

Brazil curbs luxury imports

BY DAVID WHITE

RIO DE JANEIRO, Feb. 10.

BRAZILIAN IMPORTS of a larger number of "superfluous" goods — ranging from cars to spirits—have been effectively cut off until June 30, as part of a series of emergency measures to correct the imbalance in the country's foreign trade.

The official trade authority Cacex published a list of items for which import registrations will be withheld. Technically this does not amount to prohibiting imports, which would be contrary to GATT rules, but means that importers will be liable to fines of around one and a half times the value of the goods for bypassing the registration formalities. These fines are 100 per cent. of the value plus 50 per cent. of ordinary duties, which for luxury goods are in many cases already 100 per cent. or over.

Whisky, which Brazil imports from Britain alone to the tune of $14m. a year, is exempted from the restriction, as are watches, perfumes and some food items.

The measure follows a severe tightening of Brazilian import controls in October last year. This was reinforced by additional curbs in December, including a compulsory 360-day deposit, equivalent to the purchase value, on a wide range of imported goods. These appear to have had little effect on the luxury category such as boats and electrical equipment. Cacex figures show that imports of goods considered superfluous, that is, those which overlap with locally-made products, dropped only slightly last year from $2.29bn. to $2.12bn.

Brazil's trade deficit in 1975 was $3.5bn., $1.1bn. down on the previous year. A further reduction is expected this year.

The main item affected by the new curb is fruit, which cost Brazil $118m. last year. However, imports from neighbouring countries of the Latin American Free rade Association are, under LAFTA regulations, not included.

Rumours of the impending curbs yesterday had a spectacular effect on retail prices of imported goods. Whisky, although not included in the ban, went up from around £5.50 to around £20 for an ordinary brand, and a quarter-pound of tinned salmon now goes for £4, which for most Brazilians is more than twice the daily wage. Sales of foreign cars are reported to have stopped completely.

The rising barrier of duties and import controls has had the inevitable result of strengthening the black market. Yesterday's measure coincided with a record haul of contraband off the coast of Recife. The Cypriot freighter Tempesta was detained by the Brazilian Navy with an estimated $9m.-worth of contraband aboard.

Kellogg to build gas plant for Algeria

ALGIERS, Feb. 10.

ALGERIA HAS signed a contract with Kellogg Construction company of the U.S. to build a second gas liquification plant at Arzew in western Algeria.

The plant to be built by Kellogg, a subsidiary of Pullman, is expected to begin production in mid-1979 and will eventually produce 10,500m. cubic metres a year. The gas is destined for the U.S. consortium East Coast Gas, the Belgian company Distrigaz and other clients of the Algerian state hydrocarbons concern Sonatrach.

Construction of the plant will be partly financed by credits of $325m. included in the Distrigaz contract signed last November.

Diplomatic sources said the rest of the finance for the $1bn. plant was likely to come from a new Eurodollar loan and from other European recipients of the gas.

The U.S. construction company Bechtel International last month signed a contract to complete the first Arzew liquification plant which is due to begin production next year, taking over from Chemico whose contract was cancelled last November.

Reuter

Japanese trading groups to market Venezuelan oil

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Feb. 10.

A GROUP of Japanese trading companies and banks are to form a company to export Venezuelan oil to third countries, thus bringing Japanese companies for the first time into competition with the international majors in world oil trade.

The members of the group will include the four biggest trading companies Mitsui, Mitsubishi, Marubeni and C. Itoh and may take in at least two more, Sumitomo and Nissho-Iwai. The company will handle about 100,000 barrels a day of Venezuelan oil, probably selling much of it in the U.S. which is already the main export market for Venezuelan oil.

The 100,000 figure is understood to be a target, rather than a contracted figure, and forms about one-fifth of the volume of oil which the Venezuelan Government will have available for direct sales following the nationalisation of the oil industry last year. Total Venezuelan oil production is around 2m. barrels a day, but some 1.5m. barrels of this amount will continue to be handled under contract by international majors.

The Japanese export project, which marks the first large-scale venture of trading companies into the oil business, is the outcome of talks which started at the end of 1974 when three Venezuelan Ministers visited Tokyo. The Venezuelans proposed, and Japan agreed in principle, that Japan should buy oil on a direct deal basis from the Venezuelan Government but the Japanese side subsequently lost interest in the idea of direct imports. The Japanese say that freight rates from Venezuela would be prohibitively high compared with those from the Middle East or South-East Asia.

The establishment of the Japanese marketing group is intended as a substitute for the original import proposal and could be used as an instrument for the indirect introduction of oil imports into Japan. This would involve the Japanese company supplying Venezuelan oil to majors who would then in turn supply Japan with oil from the Gulf. The Venezuelan Government will have the right to acquire a 50 per cent. stake in the Japanese venture.

Japanese trading companies are banned from handling oil imports into Japan itself and are acknowledged to be highly experienced in the international oil business (a fact which has been exemplified by the huge losses incurred by Ataka in its dealings with the Newfoundland Refinery Corporation). The Venezuelan project, however, could mark the emergence of the trading companies as active participants in the world oil business outside Japan.

Nippon Kokan proceeds with Canadian steel mill

TOKYO, Feb. 10.

NIPPON KOKAN, a major Japanese steelmaker, said it will proceed with its planned steel mill construction plan in British Columbia.

A spokesman for the steel company said the decision to proceed was made after recent talks between Yukio Miyaka, managing director of Nippon Kokan, and Government officials of the Canadian province. Considerable interest had been shown in Japan as to whether the recent change in the British Columbia Government would affect the project, which was undertaken at the request of the previous government.

Nippon Kokan has been conducting a feasibility study for the project since November 1974.

Agencies

Siemens US computer pact

By Nicholas Colchester

BONN, Feb. 10.

SIEMENS, the largest West German electrical and electronic company, has signed a co-operation agreement on semi-conductor microprocessors with Intel of California, which has established itself as one of the world's leading companies in this field.

The deal is consistent with Siemens' recently adopted strategy of making selective use of outside sources of technology in developing its own abilities in the electronic and data processing fields. The arrangement embraces microcomputers, the relevant software, and support systems.

The agreement provides for each company to sell products of the other under its own brand name. It does not provide for co-operation in research and development. Siemens concedes that to start with the flow of products and licenses will be chiefly from America because Intel has a commanding position in microprocessors. But later on Siemens hopes to even the score.

It is widely accepted that the development of the microprocessor is revolutionising the computer business by bringing the computer into everyday consumer products. It is a field to which Siemens attaches great importance when it surveys the future development of its own business. The agreement announced to-day follows similar ones signed between major European companies and sources of American microprocessor skills. GEC of Britain already has an agreement with Intel, and AEG-Telefunken with Rockwell International.

Thai airlines compromise

BY OUR OWN CORRESPONDENT

BANGKOK, Feb. 10.

THE THAI Government has arranged a compromise between the country's two rival airlines, Thai International and Air Siam, which will allow both to continue operating at lower seating capacities on the lucrative Hong Kong-Japan sector and thus encourage the British to lift their ban out of Hong Kong on Thai carriers which they maintain are operating at gross over-capacity.

The details of the compromise, which is said to be the first step towards merger by the end of the year, have not been disclosed, but Finance Minister, Boonchu Rojanasthien is quoted as saying "we shall arrange the sharing of seats first and then negotiate with the British before we can arrange for the two airlines to merge."

The new seating allocations are said to be the key elements in the Thai proposal which a delegation is carrying to London tomorrow to negotiate a complete removal of the ban on Thai airlines carrying passengers and freight out of Hong Kong to Japan. The Thais earlier this month took a solid step towards meeting another British grievance against cut-throat pricing by imposing the special excursion fare agreed between the two sides in November talks on all airlines carrying passengers from Bangkok to Hong Kong.

Bulgaria's industrial expansion will use Western technology

BY DAVID LASCELLES

SOFIA, Feb. 10.

BULGARIA WILL invest heavily in new technology during the new five-year plan which has just started and will be looking to the West for much of it, according to Mr. Nacho Papazov, head of the State Committee for Science and Technical Progress in an interview here. Spending will be aimed mainly at modernising the economy and eliminating waste.

Mr. Papazov, who is in charge of updating the Bulgarian economy, gave the following priorities: maximising use of the country's raw materials, especially agriculture, technology for using up by-products, technology for environmental protection and air purification.

He said reconstruction and specialisation were the keynotes of the plan, which has yet to be published in detail. Industrial priorities will be machine-building, chemicals, agriculture, transport and electronics. Some 75 per cent. of all investments will be in these fields.

Greater use will be made of science which will be brought closer to industry through reorganisation. Bulgaria will also maintain its higher rate of foreign licence buying. But it wants foreign technology on the basis of co-operation so that the cost can be repaid in subsequent production.

No details are yet available of Bulgaria's future foreign policy. But officials here believe the role of trade must inevitably rise from its already high level of 40 per cent. of GNP, if the country is to meet the 9 per cent. growth target, one of the few figures so far published.

The share with the West is also likely to rise because this is where most technology will come from, only 20 per cent. of Bulgaria's trade goes outside Comecon, but the 1975 figure is expected to be higher because of inflation.

Bulgaria appears to be having difficulty balancing its payments at the moment. Receipts from tourism are high, but trade with the West is in deficit and the country has been borrowing on the Eurocurrency markets. The Lev has also been sharply upvalued, ostensibly to counter the depreciation of Western currencies. But the rate is now artificially high, making Bulgaria expensive for foreign visitors.

Anglo-Bulgarian trade was disappointing last year. U.K. sales rose slightly to £23.5m., but imports dropped by nearly half to £7.4m. The recent Cadbury Schweppes deal, which has swamped Bulgarian shops and bars with tonic water and fruit juice bearing the Schweppes label, has been a morale booster, despite what are described as teething problems. The drinks are produced under licence in Bulgaria and will eventually be sold in third markets.

Other co-operation deals in industry and agriculture are also being discussed, holding out prospects for a higher level of trade later on.

NIGERIA

Breakthrough for Ro-Ro services

BY JAMES BUXTON

WHAT IS claimed to be the first roll-on roll-off trailer service direct from Britain to Nigeria unloaded in Lagos on Monday, representing a significant breakthrough in shipping to the fast growing Nigerian market. The ro-ro ship Falster, operated by Wacro Lines, arrived at Lagos from Felixstowe last Saturday.

Wacro expects the Falster to arrive back at Felixstowe on February 19 and depart within less than 24 hours for Lagos (which is 11 days sailing). On her first voyage there she carried 61 trailers and a Jaguar car, filling the remainder of her 65 trailer cargo space with arc lights for the Nigerian Port Authority. The trailers left the quayside and were transferred to the Nigerian clearing agents' compound.

With more than 100 ships waiting to enter Lagos harbour, and other Nigerian ports also congested, ro-ro services have an obvious potential. But there are also major difficulties, which include a shortage of wharf space, difficulty in clearing ships and cargo through customs, and problems in persuading Nigerian consignees to collect their cargo until they have room to store it (one of the main causes of the Nigerian port congestion). As a result, although several shipping companies and agents have announced that they are starting up ro-ro services to Nigeria, Wacro's is the first to materialise.

Wacro says that it has spent several months making its arrangements with the Nigerian authorities and only now has it been able to start. Another shipping concern, BFI Line, which spent nearly a year studying the problems of shipping to Nigeria, has also obtained permission from the Nigerian Ports Authority for a ro-ro service to Lagos but decided that the difficulties on arrival were too great: instead it is operating and developing a service to the port of Tema in Ghana, whence the trailers go by road across the states of Togo and Benin to Nigeria, as well as to other destinations in West Africa.

BFI concluded that if it used Lagos its trailers were likely to get bogged in problems after being unloaded. It therefore spent two months persuading officials in Ghana, Togo and Benin, as well as Nigeria, to accept the novel principle of large-scale trans-frontier transport in West Africa. It now claims that there are no customs holdups on its route and it makes a demurrage charge if any trailer is delayed at the Nigerian frontier because the consignee of the goods is not prepared to take delivery when they cross the border.

BFI, whose next sailing is from Sheerness on February 18, offers a transit time of between four and five weeks. It is building up three pools of trailers—one in the U.K., one on the high seas and one in West Africa—which will enable it to offer a smooth service. It is also hoping to run a small ro-ro ship from Tema to Lagos carrying six trailers which it thinks will be a more manageable number.

Later this month a third service to Nigeria begins from Avonmouth operated by Inglesham Shipping and Forwarding and Dicker (CL) Continental Haulage of Brentford. It will use the port of Warri, east of Lagos, and it is hoped that it can unload overnight within 12 hours.

The gradual growth of ro-ro services to Nigeria should make uneconomic one of the possibilities that has been put up for beating the Nigerian port congestion—going by road across the Sahara. Only a token number of trucks has actually made the journey and there is general consensus that the difficulties and dangers are too great to make it feasible.

AMERICAN NEWS

Torture 'an institution in Chile'

THE United Nations Commission on Human Rights in Geneva yesterday received an official report that the regime in Chile has now institutionalised the use of torture ranging from cold and methodical to barbaric sadism, UPI reports.

The report, 67 pages long and based on one year of investigation, came from a five-member special committee chaired by Mr. Ghulam Ali Allana of Pakistan. "Torture is indeed institutionalised and has become a part of the present Government," the report said.

"The methods used continued to be characterised by extreme ruthlessness," it said. "They extend from cold, methodical application of torture as a means of extracting information or of punishing and destroying political opponents to frequent manifestations of barbaric sadism by individual operators."

Kennedy tops

A public opinion poll published in New York yesterday said that Senator Edward Kennedy was the clear leader among Democratic and independent voters as their choice for this year's Presidential Democratic candidate, Reuter reports. Sen. Kennedy was backed by 29 per cent. of the 2,500 people questioned by the Louis Harris Poll, followed by Sen. Hubert Humphreys with 18 per cent. Neither Senator is a declared candidate, and Mr. Kennedy has said that he would not stand even in response to any popular appeals at the Democratic convention in July.

Working hours

U.S. Government estimates have disclosed that American factory employees had to work two hours and 16 minutes in 1975 to buy nine selected foods which required only one hour and 32 minutes to earn in 1974, UPI reports from Washington. But factory workers in 13 foreign countries had to work twice as long as Americans to buy the same foods, although their situation was better than in 1974. The new estimates showed that the same nine foods cost the foreign workers four hours and 34 minutes of working time last year, a decline of 16 minutes from 1974, according to the Government's Foreign Agricultural Service.

Oil demand

The amount of petroleum used in the U.S. declined for the second year in a row in 1975, because of recession, warm weather and conservation, according to Chase Manhattan Bank, AP-DJ reports from New York. Total demand averaged 16.5m. barrels a day, a 2.2 per cent. decrease from the year before, the Bank said in a report by its Energy Economics Division. The largest decline came in demand for residual fuel oil, which is used mainly in industry and for electrical generation.

Argentina turns to IM[F] for loan to cover debts

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

ARGENTINA has exhausted the possibility of raising private international loans and is seeking $314.5m. from the International Monetary Fund, Sr. Emilio Mondelli, the Economy Minister, said in Buenos Aires on Monday. Sr. Mondelli this month took over the economics portfolio after a spell as chairman of the Argentine Central Bank.

Sr. Mondelli denied that it would declare a moratorium on its debts but equally emphasised that Argentina would not be seeking a stand-by loan from the IMF. The acceptance of the terms imposed by the IMF for a standby loan traditionally evoke much hostility from political circles in Argentina.

Argentina needs to pay out about $1.5bn. this year on account of its gross foreign debt which is put at $9.8bn.

Argentine hopes for bumper receipts from grain sales, with the international cereals market very firm, have been clouded by drought which has caused an estimated $500m.-worth of damage to the sorghum and maize crops.

Argentina is expecting to suffer a balance of trade deficit of $500m. in 1976.

The peso has this month been quoted in Buenos Aires as low as 24 to the dollar compared to the official "special commercial" rate which was fixed at $6.40 at the end of last year. The move to the IMF comes after the failure of the financial mission sent to Europe in November to raise $200m. from commercial banks.

Meanwhile, Sr. Mondelli is continuing to try to persuade the employers' organisat[ion to call] off their day's stoppag[e] for Monday. The ... being called by the ... ployers' organisatio[n] supported with grea[t] enthusiasm by the G[...] ing body, to protest Government's econom[...]

Reuter adds: The m[...] ex-President's dau[...] and a reported attem[pt ...] a prominent gen[...] Argentina as Presi[dent] Estela Peron fac[es] demands for her resi[gnation]. murdered woman, Eulalia Caride de L[...] killed by a parcel b[...] Buenos Aires ho[...] taneously, the guerillas announced poisoned General A[...] although an army ar[...] said the general ha[d] killed.

U.S. may make first arms sale to Egypt

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Feb. 10.

THE UNITED States has told Israel that it intends to seek Congessional approval for the sale of six C-130 Hercules planes to Egypt. This would be the first military sale the U.S. has made to Egypt.

The Congressional role is central because of legislation which stipulates that any military sale in excess of $25m. is subject to veto, if exercised within 20 days. Although the State Department denies for the record that Congress has been approached, it is clear that informal negotiations have taken place.

The C-130 sale would be worth between $30m.-$40m. It is just part of an Egyptian shopping list for American military hardware which is believed to include Hawk anti-aircraft missiles, F5E jet fighters, anti-tank weapons, radar and other communications equipment.

The military transport aircraft are thought to be the least controversial item on this list, which is important when Congressional sentiment is considered. The Administration, keen to pursue a more visibly even-handed policy in the Middle East, would probably argue that half a-dozen such aircraft could not materially alter the balance of military forces in the area.

The Israeli Prime Minister, Mr. Rabin, was informed on the Government's intentions in the course of his Washington visit the week before last. On his return to Israel, he stated his unequivocal opposition to such a sale.

It is difficult to gauge Congressional reaction to such a move. An assistant to Senator Hubert Humphrey, a pivotal figure on Capitol Hill, suggested to-day that if the administration made its case properly and did limit itself to transport aircraft only, then Congress might not object.

Sen. Humphrey himself is sponsoring a significant piece of legislation due to be voted on next Wednesday by the full Senate, which would bring commercial as well as military sales under the $25m. ceiling and which would therefore greatly enhance the Congressional role. His Bill is reckoned to have a good chance of success, a fact which the administratino is aware of and which may partly explain its desire to establish a good consultative relation with Congress on such matters.

The aide also confirmed that Sen. Humphrey had spoken directly to Secretary of State Kissinger on the question of Israeli military appropriations, which the administration wants to cut by $500m. in the next fiscal year, starting in October. Mr. Rabin tried—and apparently failed—during his recent visit to persuade both administration and Congress that this was a mistake.

Guatemal[a] toll rises to 18,000

By Alan Riding

GUATEMALA CIT[Y ...]

THE EMERGENCY [...] gramee in the countryside gained to-day with the arr[ival of] huge U.S. army heli[copters ...] new reports from th[e ...] raised the death to[ll ...] week's earthquake 18,000.

Several helico[pters ... "air] bridges" were set [up ...] Guatemala City devastated towns a[...] to the north, [...] plies and volunta[ry ...] being flown in an[d ...] seriously wound[ed ...] brought out.

Although adequa[te ...] tion often seems h[...] in the nation-wide e[...] individual town[s ...] medicine and anti-t[...] cinations are never[...] ting through to m[...] areas. Some outly[ing ...] have not yet been r[...] are desperately sh[ort ...] but their wounded already died or carried out to the r[...] aid post.

Computation of casualties, on the [...] lags behind discov[ery ...] devastation since r[...] top priority. In ma[ny ...] figures can also b[e ...] than vague estimat[es ...] records exist in the [...] and many people [...] marily buried.

THE LOCKHEED PAYMENTS

Dutch investigation team name[d]

BY MICHAEL VAN OS

AMSTERDAM[...]

THE DUTCH Government stated in a letter to Parliament in The Hague to-day that a three-man committee had been appointed to investigate the Lockheed pay-off allegations, concerning Dutch aircraft sales. Prince Bernhard has been mentioned as the chief alleged recipient.

The investigative committee's brief is two-fold, the letter stated. First, it is to investigate the accuracy of the declarations and suggestions made in the U.S. Senate's Sub-committee on Multi-national Corporations when they involve Prince Bernhard directly or indirectly. Second, if the investigation should also show the need for this, it is to examine whether in the case of the aircraft orders by Dutch Government departments there has been any evidence of "infinence" as a result of "reprehensible activities" by aircraft manufacturers.

The Government added in the letter that the results and the conclusions of the investigation should reach the Government as soon as possible. It would be sending the report on to Parliament. But "the right is reserved by the Government to decide in what form," it is stated.

The three members of the investigative committee are all well-known and highly-respected Dutchmen. They are Dr. M. W. Holtrop, a former President of the Dutch Central B[ank ...] sor A. M. Donner, w[ho ...] at the European Cou[rt ...] in Strasbourg, an[d ...] Peschar, who heads [...] ment's accounting c[...] The latter is a for[mer ...] Party member.

Dutch political [...] general welcomed t[he ...] tion of the inquiry te[am ...] the briefs which, [...] limited, would at l[...] that the investigatio[n ...] able to act quickly. [...] also satisfaction tha[t ...] committee members [...] more or less the [...] streams in Dutch [...] Socialists, the Chris[tian Demo]crats (Mr. Donner [...] Liberals (Mr. Holtro[p) ...]

Lawyer Hubert Weisbrod said in Zurich yesterday that he deposited various sums of money in a Swiss bank on behalf of Lockheed but that he is sure that none of it was intended for Prince Bernhard. "I never paid any sum of money to Prince Bernhard at the request of Lockheed and didn't act as an intermediary in this affair," Mr. Weisbrod said in a statement issued by the Swiss news agency ATS. "I do not know what Lockheed did with this money but I am convinced that it certainly never ended up in the pocket of the Prince of the Netherlands."

Bid to question former Japanese Prem[ier]

TOKYO, Fe[b. ...]

AN OPPOSITION member demanded to-day that former Prime Minister Kakuei Tanaka be summoned as a witness to Parliament to answer questions about alleged Lockheed aircraft payoffs.

Mr. Yanosuke Narasaki, a Socialist member of the Lower House, made the request at a meeting of the budget committee in the morning. He said that the former Premier should be made available to Parliamentary questioning concerning remarks made by a Self-Defence Agency official on Monday that he thought Mr. Tanaka and his two aides made the decision in 1972 that paved the way for possible Japanese adoption of Lockheed's P3C antisubmarine patrol aircraft.

Mr. Tanaka, a self-made millionaire in the construction business, was Prime Minister from July, 1972, to December, 1974, when he resigned in the face of corruption allegations. The budget committee made no decision on whether he should be summoned as a witness.

Mr. Tanaka's predecessor, the late Mr. Eisaku, Sato, decided in early 1972 that Japan should manufacture anti-submarine airplanes. This decision was reversed in late 1972 after Mr. Tanaka came to power.

Prime Minister Takeo Miki, who succeeded Mr. Tanaka, however, has not decided from where his Government planned to purchase such aircraft for the country's Self-Defence Maritime Force, which is charged with watching suspicious submarines in Japanese territorial waters.

UPI

Charles Smith adds: A senior official at the Self-Defence Agency partially retracted a statement—made on Monday—that a decision to build anti-submarine aircraft in Japan was reversed "for political reasons" in favour of buying the Lockheed P3C aircraft at a meeting held early in 1972 between Mr. Tanaka and two other officials. The retraction was made after one of those involved, a former Deputy Cabinet Secretary, had protested that the statement was false.

In Washington, a member of the opposition Komeito Party reportedly said that he had been told by staff members of the Church Committee that at least two Japanese Cabinet Ministers had received Lockheed payments. But another Diet member, from the ruling Liberal Democratic Party, who is also in Washington, said that Lockheed's vice-chairman had refused to mention any names in an interview he had had with him.

In Tokyo, Marubeni Corporation said that it had now worked out how the Church Committee arrived at the figure of $3.125m. paid to it in connection with TriStar sales. The figure represented an 0.7 per ce[nt. commis]sion on all the 21 air[craft] ordered by All Nipp[on ...] the company said, in [...] which have yet to b[e ...] Marubeni's explanat[ion ...] commission earnings [...] accepted as reasona[ble ...] Ministry of Internati[onal Trade] and Industry.

No further names [...] day in connection wi[th ...] but the impression p[...] the affair will do v[...] damage to the ruli[ng ...] Democratic Party an[d ...] main revelations abou[t ...] Lockheed funds are st[...]

BURBANK, California: Lockheed has denied reports that it may be unable to repay some $196m. in loans guaranteed by the U.S. Government, Reuter reports. Lockheed "will in fact pay off" the loans within the required legal deadline of before 1978, a company spokesman said in response to an inquiry. The Government's General Accounting Office (GAO) was reported to have disclosed that Lockheed might miss the deadline.

ROME: Italy's former Defence Minister, Signor Luigi Gui, named by several Italian newspapers as the recipient of money from Lockheed, filed a statement with the State Prosecutor yesterday, asking him to "shed full light" on the Government's purchase of C130 cargo planes.

STOCKHOLM: Sweden's parliamentary ombudsman, Mr. Gunner Thyresson, said yesterda ythat he was investigating whether General Dick Stenberg, Commander of the Swedish Air Force, had accepted payments from Lockheed. He told Reuter that on Monday night he saw General Stenberg and Mr. Olle Hedberg, managing director of Lockheed's Swedish agent, Swedair.

NEW YORK: Lockheed made payments estimated at more than $110,000 to Mexican officials, according to a report in the New York Times quoting company documents said to be in the possession of a U.S. Senate sub-committee.

BOGOTA: Colombia's President, Mr. Alfonso Lopez Michelsen, has promised to ask the U.S. for documents said to accuse Colombian Air Force generals of taking payments from Lockheed, reports Reuter. The President said that the allegations had to be investigated in depth.

HONG KONG: Cath[ay] Airways and Lockhe[ed ...] statements yesterday [...] that a senior em[ployee of] Cathay had been pai[d ...] writes Our Own [Correspon]dent. The statement[s ...] payment was made [...] to the employee's [...] sell aircraft to othe[r ...] The employee, Capt[. ...] Smith, director of fli[ght opera]tions, received the [...] mate" payment [...] months" after the contract to purchase [...] the statements said.

ANKARA: The Defence Minister, [...] Melen, announced [...] that an inquiry w[as] instituted into allegat[ions ...] payments were distri[buted in] Turkey by Lockheed[...]

THE FINANCIAL TIMES, publishe[d ...] Sundays and holidays. U.S. [...] $167.00 (air freight) $314.00 [...] annum. Second class postage [...] York, N.Y.

...abin still faces split in ...srael Labour Party ranks

...L. DANIEL

TEL AVIV, Feb. 10.

...RAL members of the Rafi of Israel's ruling Labour have been in touch with ...ers of the National ...ous Party, as well as the opposition and the ultra-...ox Aguda religious party, ...nd them out on the possi-...s of forming an alternative ...ment, according to ...e sources.

...rly Premier Yitzhak ...s apology in the Knesset ...lay regarding his state-... *on the composition of* ...s arms requests to the ...as by no means put an ... the potential split be-... him and the Defence ...er, Mr. Shimon Peres.

...latter has preserved com-...silence in public, despite ...ict that some of the ...ts were widely interpreted ...attack on him, preferring Mr. Rabin do the explain-...it he, as Premier, was an partner to the confirma-...of the lists of arms ...s before their submission ...hington.

...Rafi wing of the party was ...d by Moshe Dayan and ...is represented in the ...t by Mr. Peres. The ...al Religious Party is a ...r of Mr. Rabin's coalition ...ment.

...Peres has been careful not ... part in these preliminary ... preferring to let events take their own course, which, he must estimate, can only be in his favour. The parties that have been in touch could not command more than 60 votes in the Knesset.

What unites them is their far harder stance on the West Bank, it being pointed out that the original mandate of Palestine extended to both banks of the Jordan (including Amman), and was artificially split by the British administration in 1922, *so the West Bank is in fact part* of Greater Israel.

If Premier Rabin's efforts to come to an understanding with King Hussein on the West Bank—an understanding which must include the settlement of the question of the Palestinians, the vast majority of whom live either on the East or West Bank of the Jordan River—are successful, Mr. Rabin may remain in the saddle.

However, any withdrawal from the West Bank is subject to a general election, an undertaking given by successive Labour Governments. Should Mr. Rabin not succeed in his efforts to get an agreement with Jordan, the Labour Party itself may come to the conclusion that it would be better to have a hard-liner from its own ranks in the post of Premier, like Mr. Peres, rather than a coalition dominated by the opposition Likud.

Thus it is unlikely that anything dramatic will happen immediately, but one of the favourite parlour games here at present is drawing up lists of an alternative government, which, if based on Labour in its present composition, would involve changes in the Foreign Ministry, Defence Ministry (if Mr. Peres should move into the Prime Minister's office), as well as the key posts of Minister of Finance and Minister of Commerce and Industry, both of which, it is felt, *are being filled* by men unable to cope with the huge economic problems Israel will be facing, if not in a matter of weeks, then in a matter of months.

Even the Labour Party daily newspaper, Davar, says this morning that the Opposition would have done well not to table its motion of no confidence in the Knesset yesterday, because by so doing it forced the quarrelling factions in the Labour Party to unite, at least on the surface.

The afternoon paper Yediot Aharonot terms the rejection of yesterday's opposition motion of no confidence a pyrrhic victory for the Government, and the statements made on behalf of the Government as "unconvincing."

Naariv adds that while the Goverment succeeded in the Knesset, it did not succeed in convincing the public that this outward solidarity extends also to internal relations within the party.

...IAN INITIATIVE UNDER ...SSURE

...gypt is accused of ...ebanon interference

...HSAN HIJAZI

BEIRUT, Feb. 10.

...ARAB conflicts seem to ...ting the Syrian initiative ...le the Lebanese crisis. ...has emerged following ...s by Iraqi President ...Hassan al Bakre, and ...riticism of the Syrian role ...sident Anwar Sadat of ...

...al Bakre declared in a ...in Baghdad on Sunday ...q would not stand by and ...act with every available ...and force" should Left-...nd Palestinian elements ...g a Middle East settle-...e suppressed in Lebanon.

...rvers said the warning ...rompted by an armed ...on January 31 against the ...here of two newspapers ...ack the Iraqi régime, ... the daily papers, Beirut Moharrer.

...n people were killed in ...ack in which 100 heavily ... members of the Syrian-...ed commando group Al ...participated. The fact ...e attackers were later ...d as "undisciplined ...s" was not satisfactory ...dad. President al Bakre ..."organs of the Syrian ...

...adat voiced his criticism ...Syrian role in the inter-... gave last week to the ...e magazine Al Hawadess. ...cused the régime in ...us of being the main ...of unrest for Lebanon. ...e President's stronger ...s against the Syrian ...were not printed by the ...ion, according to in-... Press sources.

... caused concern in poli-...uarters here was Mr. ...remark that the Lebanese ...is only at its beginning."

He did not explain, and his statement came at the time a Syrian-sponsored initiative appeared to have brought the crisis to an end. Though this should be seen in the context of the current, bitter rivalry between Egypt and Syria for hegemony in the Arab world.

The Government here was reported in some newspapers to-day to have asked for an Egyptian explanation. The newspapers connected the request with a meeting yesterday between the Lebanese President, Mr. Suleiman Franjeih, and the Egyptian Ambassador, Mr. Ahmed Lotfi Metwalli.

Louis Fares reports from Damascus: Palestine Liberation Organisation chairman Yassir Arafat charged Egypt with "forging stories to split his united front with Syria."

The Egyptian official news agency, MENA, said yesterday that Mr. Arafat had addressed a letter to Egypt's Foreign Minister, Mr. Ismail Fahmy, in which he (Arafat) appealed to Egypt to persuade King Hussein of Jordan not to negotiate with Israel over the West Bank. "This is a pure lie," Mr. Arafat told a Syrian newspaper. "The aim is obviously to create problems between Syria and the PLO," Mr. Arafat said.

The denial coincided with an editorial published to-day in the Syrian Government organ, Al-Baath, in which Syria accused the U.S. of preparing a new initiative in the Middle East aimed at splitting Damascus and the PLO. The editorial said Israel—thanks to the huge supplies of U.S. weapons — was aiming to bring the situation back to that before the 1973 October war.

...komo denies stalemate

...ONY HAWKINS

SALISBURY, Feb. 10.

...E CONCLUSION of an ...g session of talks ...the Rhodesian Govern-...nd the Nkomo African ...Council (ANC) to-day, ...ua Nkomo denied that ...ssions were deadlocked, ...that the two sides will ...ain on Friday.

...'s meeting was the first ...y three weeks, and had ...ld against a background ...ng speculation both here ...oad, that the talks are ...ing stalemate.

Neither side would comment on the topics discussed at what was the seventh session of constitutional talks. Informed sources here say that while the ANC is seeking a constitution that would mean majority rule at the next election—within two or three years—Mr. Ian Smith has put forward a counter proposal which would increase Black representation in Parliament, but retain separate voting rolls for Blacks and Whites, and also add to the number of White-held seats.

...alaysia terrorist threat

...NIST terrorists fighting ...ysia now number more ...00 and they include two ... as well as Malays, ...and Chinese from ... and Thailand, Kevin ...reports from Kuala ...

...igures, which show a ...rise in Communist ... were given by Tan Sri Shafie, Malaysia's Home Minister, in an interview ...ocal business paper. But ...ister stressed that the ...ists "are perpetually on ... because of security ...pressure and harass-...Tan Sri Ghazali said that ...terrorists had infiltrated ...r into Malaysia, and ...ere operating from deep ...bases.

France's new High Commissioner, Don Camille d'Ornano, UPI reports. Fears grew that nationalists would unleash riots to-morrow during a scheduled mass rally to protest at the recent arrest of the leaders of the legal opposition, the African Popular League for Independence.

...ian arrests

...mbian Government has ... about 37 University of ...students following the ... of the university on ... our Lusaka correspon-...tes. Two more expatriate ...have been detained, Sig. ...nghi, an Italian, and Mr. ...folteno, a South African, ...

...uti cordon

... legionnaires and riot ...ordoned off the African ... of Djibouti to-day to ... threatened demonstra-...gainst the arrival of ...

Group of 77 approves trade guidelines

MANILA, Feb. 10.

THE WORLD'S developing countries finally agreed here to-day to make full use of their bargaining power in getting a larger share of international trade and wealth.

At the closing session of the Group of 77 of the UN Conference on Trade and Development (Unctad) ministerial meeting two documents, to be *known as the Manila Charter*, were approved by delegates from 110 developing countries of Asia, Africa and Latin America.

During the Group's meeting, which started on February 2, delegates approved the membership applications of Malta and Romania, which with the other new members, Surinam and the Palestine Liberation Organisation (PLO), brings total membership to 110.

The Manila Charter calls for the restructuring of international trade in commodities so that prices are stabilised and export earnings of developing countries are raised.

It calls for a reform of the international monetary system that will meet the interests and needs of developing countries, and urges developed nations and international organisations to alleviate the debt problems of developing countries.

Reuter

CHINA'S PREMIER PUZZLE

A struggle not yet over

BY COLINA MacDOUGALL

HUA Kuo-feng's appointment as China's acting Premier, which came so unexpectedly on Saturday, is a convincing indication that the dimly visible struggle for power in Peking since the Cultural Revolution is far from over. Though it is possible that Teng Hsiao-ping, who had seemed the obvious heir for the past 12 months, is merly waiting in the wings for a bigger and better job when Mao dies, Hua is now senior to him in government—though not in party ranking. While Teng could still make a comeback, it seems unlikely that the National People's Congress (which technically should appoint the premier) will reverse the decision.

Teng, in the eyes of tens of thousands of politically-conscious Chinese outside the top leadership who, like foreign China-watchers, have to deduce what they can from the bald announcements of the New China News Agency, does seem to have slipped in status. What shifting of allegiances will follow from that no one will ever know precisely. But the net result is likely to be a weakening of the pragmatic group in the leadership. While it may be over-simplifying to see Chinese leaders sharply in terms of radicals and pragmatists, there is not much doubt that some believe in a much more rapid and, if necessary, chaotic advance to Communism than others. And—while the divisions originally may have been purely along political lines—there is now a much stronger personal and power struggle element.

Hua himself is no kind of radical. As a former bureaucrat who faced trouble in the Cultural Revolution, he has a similar—though less controversial—background to Teng's. He seems a capable man, but he lacks the national influence which Teng as a Long March veteran and a Peking cadre member of over 20 years' standing could exercise. Teng, despite his disgrace in the Cultural Revolution, obviously must have contacts and supporters in every major organisation in China; Hua, who came to Peking from Hunan province only after the Lin Piao affair of 1971, could hardly have the nation-wide links of personal loyalties which are still important in the Chinese system. His lesser stature is a weakness which the radicals are sure to exploit.

A perpetually baffling question, however, is who precisely are the radicals and where do they get their power? The obvious contenders for the title, Chiang Ching (Mme. Mao), Yao Wen-yuan (a former Shanghai journalist at one time rumoured to be Mao's son-in-law) and Wang Hung-wen (a young party vice-chairman who soared to the top but who is lately somewhat under a cloud) do not look like potential national leaders, especially when compared with wily old birds like Teng Hsiao-ping. Chang Chun-chiao, previously Shanghai administrator and now senior office holder in party, government and military, is a serious proposition, but he remains a dark horse whose

Hua Kuo-Feng

views are unknown in the outside world.

Radical support in the rank and file is just as hard to identify. There is probably not much born of true inclination in the government bureaucracy, nor in the industrial workforce, nor among the fundamentally conservative peasants. But a sprinkling of dedicated idealists, extremists and discontented have-nots throughout society who can claim to be the true voice of Mao and the Cultural Revolution are probably enough to attract a following in a fierce campaign — such as the present "revolutionary mass debate" on education might well become. This is simply because no-one can afford to appear to be anti-Maoist.

Most puzzling of all is the role of Chairman Mao. Is he now urging on the radicals to counterbalance what he sees as tendencies to revisionism? But if he brought back Teng three years ago — and there is good evidence that he accepted him as part of a collective succession, if not as sole leader — why has he apparently allowed him to be pushed aside now? Although Mao is obviously showing his age, he almost certainly is still involved in crucial appointments and high-level decisions. Last weekend's invitation to former President Nixon is believed to be his own initiative, which seems to show, if nothing else, that he is still capable of bold and unexpected decisions. Even though his intervention in daily politics is minimal, he must still be the source of the radicals' power.

Although there has been a series of radical campaigns since the anti-Lin, anti-Confucius movement of 1974 without any obvious moderate heads rolling, their intensity now seems to be growing. Since the New Year the call to put politics before everything else, including the economy, reads like a criticism of the whole spirit of last year's National People's Congress, when Premier Chou En-lai spoke of China's march forward to industrial development.

Australian budget

The Australian budget deficit in the seven months to the end of January rose $A4.045bn. from $A3.792bn. at the end of December, compared with $A2.375bn. deficit in the first seven months of 1974-75, the Treasury said in its monthly statement. Treasurer Phillip Lynch said the annual budget deficit is likely to be around $A4.7bn., but added that this forecast does not take into account an estimated $A360m. saving from proposed Government spending cuts, Reuter reports.

Sahara phosphate

Mining operations have resumed at the huge phosphate deposits at Bou Craa in Western Sahara after being closed down for two months while Spain handed over the territory to Morocco and Mauritania, *Reuter reports*. But the 60-mile conveyor belt taking ore to the coast is still under repair, officials said, after being damaged by saboteurs, believed to be guerillas of the Polisario Front movement which opposes the Spanish handover.

EUROPEAN NEWS

Italian minority cabinet may be formed to-day

BY ANTHONY ROBINSON — ROME, Feb. 10.

PRIME MINISTER designate Aldo Moro to-day formally accepted the task of forming a new minority Christian Democrat Government. He went to the Presidential Palace at noon to inform President Giovanni Leone that the new Government is assured of a small majority in both Houses of Parliament based on the support of the CD Party and the Social Democrat Party and the abstention of the Republican and Socialist Parties. The small Liberal Party meets to-morrow to decide whether to abstain or support the Government with its votes in Parliament.

On this basis the new Government is assured of a majority of about 20 votes over the opposition of the Communist Party and the neo-fascist Movimento Sociale Italiano (MSI).

Sig. Moro has not yet presented the list of Ministers and Under-Secretaries, but this is expected within 24 hours. One former Minister not expected to be included in the new Government is the Interior Minister, Sig. Luigi Gui. He is one of the two former Defence Ministers whose name appears in evidence given by the Lockheed Corporation to the Church Commission on the multinational corporations in relation to alleged corruption connected to the purchase of 14 Lockheed Hercules transport planes by the Italian Air Force. Sig. Gui himself asked not to be included in any new Government and has asked for a judiciary inquiry to clear his name.

Sig. Moro is also reported to be trying to reduce the number of Ministerial posts and, where possible, to fill some key Ministries, like the Finance Ministry, with technicians. Another delicate Ministry is the Ministry of Justice. In view of the abortion law reform. The Christian Democrats have agreed a compromise on this question, but would like to avoid obliging a Christian Democrat to sign a law which goes against the conscience of many Catholics. One name which has been suggested is that of Sig. Franco Bonifacio, the former head of the Constitutional Court.

Swedish shipyards plan 30 per cent. labour cut

BY JOHN WALKER — STOCKHOLM, Feb. 10

THE SWEDISH shipyards plan to cut their labour force by 30 per cent. in the next three to four years, according to reports from the national shipyard council. Gotaverken in Gothenburg is to reduce its labour force by 2,000 to 20,000 employees, while Uddevalla shipyard north of Gothenburg will reduce its production by between 5 to 7 per cent. in the latter there will not be any redundancies, as the yard will not take on new labour.

Oresunds shipyard in the South of Sweden will lose some 400 employees and Kockums of Malmo will cut their labour force, where it is estimated that there will be 1,500 fewer jobs available. The Finnboda yard in Stockholm is expected to reduce its labour force by about 200. In the case of the Uddevalla shipyard, production will be lowered by 35 per cent. and by 30 per cent. at Kockums. In all cases, it is hoped that there will be almost no redundancies, the concerns relying on natural wastage.

One of the underlying factors behind the shipyard council's plans is the world crisis in the tanker market which has hit Sweden's shipbuilding industry very hard. The Ministry of Ministry of Industr yhas said that the level of employment in the shipbuilding industry must be reduced to 70 per cent. of the 1974 level. Last year, the Government announced that it was takin ga 51 per cent. share in a new shipbuilding concern to be formed by next July. It will be made up from the Eriksberg yard, which the Government took over last year and the Gotaverken yard, owned by Saleninvest and controlled by the Salen shipping family.

When this deal is finalised, it will make the Government the effective controller of three of the country's four major shipyards, leaving only Kockums in private ownership.

Soviets hit back on grain

MOSCOW, Feb. 10.

THE SOVIET Union to-day angrily rejected Western suggestions that its agricultural system had failed and argued that in equal conditions its collective and state farms could produce more grain that the private farmers of the U.S.

The assertion was made in an article in the Communist Party newspaper Pravda, which also said Western predictions that 1976 would be a year of stabilisation in the Soviet economy were "vicious fabrications."

The article, by economics Professor Georgy Khromushin, was the first detailed response from Moscow to Western reaction to recently issued Soviet economic statistics and particularly 1975's very low grain harvest of a declared 140m. tonnes.

The professor—charging that many Western commentaries on the Soviet economy were part of an "anti-Soviet and anti-Communist campaign" being whipped up by centres of ideological diversion—said only collective farming could have raised agriculture to its present level.

Reuter

Dassault salesman on trial in Holland

By Michael Van Os

AMSTERDAM, Feb. 10.

THE DUTCH representative of the French Dassault aircraft corporation went on trial here to-day charged with trying to bribe two members of the Dutch Parliament to push the purchase of French aircraft.

Mr. Jan Botterman denied the charges at the start of the two-day trial before an Amsterdam tribunal. The charges followed a judicial preliminary inquiry into the competition for the so-called "arms deal of the century" to succeed Starfighters in Europe, in which the Dutch choice was crucial.

The two Dutch MPs were members of the Parliamentary defence committee, and one was Mr. Piet Dankert, an influential Labour Party member and also its spokesman on foreign and defence affairs.

He claimed to have been offered more than Fls.1m. against Fls.30,000 allegedly offered to the Liberal Party member, Mr. Wim Keja, for his Party's fund.

This morning, Mr. Botterman was also accused of having made a "suspicious offer" during a lunch with a Dutch State Secretary for Defence in connection with French arms sales.

Only days after it was reported from Brussels that the Belgian Government was facing a new controversy over the compensation order involving the purchase of the U.S. General Dynamics fighter instead of the Dassault Mirage FI, in the recent competition, Holland's largest industrial union this week expressed similar worries about the compensation package as far as Holland was concerned.

Later, a spokesman for the PVDA Labour Party, which is the chief party in the current coalition, said that his party shared the union's concern over the matter. He added that the party had much earlier demanded a fuller study of the compensation package procedures and agreements.

The union spokesman of the Industriebond NVV said that, partly in view of the increased manufacturing costs in Europe compared with the U.S., the number of man/years work created by the American contract was bound to be lower than first anticipated, a claim he could not substantiate.

He also expressed worries about whether Fokker, the Dutch aircraft manufacturer, would be getting all of the work, or whether part of it may go to the company's parent company VFW in Germany, as there was a shortage of skilled labour in Holland.

He charged that the Dutch company was "more interested in obtaining technical knowhow" from the General Dynamics deal than in achieving additional employment in Holland.

Libya wants Algeria merger

PARIS, Feb. 9.

LIBYAN LEADER Muammar Khedaffi said in an interview published to-day that he is discussing a merger with neighbouring Algeria but expects long preparatory talks. In an interview with Le Monde's Middle East correspondent, Eric Rquleau, Khedaffi paid tribute to Algerian President Boumédienne's "new line in favour of Rrab unity." He said studies and negotiations for a merger between the two countries were in progress, but he no longer believed that unity could be achieved quickly.

AP-DJ.

Ortoli urges EEC 'gold pool' as step to monetary un

BY ROBIN REEVES — STRASBOURG, F

IN A FRESH bid to re-launch progress towards European Economic and Monetary Union, the Brussels Commission is considering calling on Common Market Governments to pool part of the gold reserves being returned to them by the International Monetary Fund.

This was revealed here to-day by M. François Xavier Ortoli, president of the Commission, during his annual address to the Strasbourg Parliament on "the state of the Community." The Commission president described the absence of any decisive progress towards economic and monetary union (EMU) as the biggest item in the Community's development. "Circumstances are largely to blame but there has been a lack of conviction too," he declared.

"Yet it must be made clear that EMU is not only essential to European integration. It is also, quite simply, the only remedy for the ills that beset us individually," he said, in endorsement of the Tindemans Report conclusions.

Some two years ago, member Governments drew back from pooling part of their own Central Bank reserves as part of the now abandoned plan to achieve EMU by 1980. The Commission evidently hopes with its new initiative that member Governments will prove less possessive over a proportion of the one-sixth IMF gold being returned to them at the official price. Under the recent Jamaica IMF agreement, a further one-sixth is being sold to help developing countries in chronic balance of payments difficulties.

M. Ortoli said that IMF gold in Community hands could be used to form part of the reserve assets and European currencies to be deposited with a more powerful European monetary co-operation fund (EMCF) which would aid currencies in difficulties.

The pooling of credit would be further precipitated by using the new unit of account (EUA), based on the daily value of a basket of EEC currencies, he suggested.

Terry Kirk

François Xavier Ortoli

"The EUA's role could be extended to be used in settlements between monetary authorities and as a reserve instrument. Why not denominate Community loans in EUA? This parallel currency approach deserves to be systematically explored.

This would be all part of a fresh concerted effort to achieve and maintain internal and external monetary stability in the Community. M. Ortoli was in no doubt it required a single body at EEC level to assess decisions relating to credit, liquidity policy, interest rates and exchange rates. "It could be done by an EMCF if it was given wider powers and greater resources and provided with an appropriate administrative structure," he said.

M. Ortoli envisaged a further overhaul of the intra-EEC currency exchange system undertaken in 1975. Changes could be made in the roles for intervention, the financing machinery, and the definition and compliance with the economic discipline "which goes with greater solidarity." He also called for the setting up of a working party under the aegis of t Monetary Committee on the development o debts. It was time for munity to begin applying guidelines to size of national budge methods for financing budget balances, he sa

Besides getting bac road to EMU, M. Orto Parliament he envis other major prioriti coming year. One was a united front on ma policy issues of the more particularly, in North-South conferenc the question of seatin settled.

The other was a f on European union i of the Tindemans Re he admitted a direc Parliament, with power, he did not endorse the main Parliamentary recom that the Parlia granted the same ri *Commission* to *ini* munity policies.

Portuguese land: Military weighs in against farmers

BY PAUL ELLMAN — LISBON, Feb. 10.

PORTUGAL'S military leadership to-day came down publicly on the side of the Government in its dispute with farmers over agrarian reform.

In a statement issued after a meeting lasting into the early hours of this morning, the Revolutionary Council of the Armed Forces Movement, the country's supreme decision-making body, firmly supported the Government's intention to "regularise" the situation regarding land illegally occupied

The Agriculture Minister, Dr. Lopes Cardoso, has provoked the anger of the leaders of the Portuguese Agricultural Confederation by suggesting that much of the 1.75m. acres illegally occupied will remain in the hands of the workers who took them over.

A leader of the Confederation, contacted by the Financial Times to-day, said the organisers of the farmers' movement would be seeking a meeting with representatives of the Revolutionary Council as soon as possible to "clarify" the meaning of to-day's statement. He suggested that fresh meetings could be held from this week-end in various towns to prepare the way for new protests, including a mass demonstration in Lisbon.

The farmers' confederation two weeks ago invited the military leadership in effect to repudiate Dr. Lopes Cardoso and give in to demands for the whole agrarian reform programme to be suspended until it could be debated by the National Assembly and farmers' delegates.

The farmers' bluff has now been called.

Passages in to-day's statement acknowledged that "errors" had been committed during the application of agrarian reform. But these errors, the council stressed, were not the fault of the sixth provisional government.

Dr. Lopes Cardoso, in a statement, meanwhile offered the farmers another compromise, suggesting that expropriations for the rest of this agricultural year will be restricted to land which is not under cultivation. The Minister has already offered a series of compromises to the farmers, including one which would have excluded virtually the whole membership of the confederation, the owners of small and medium-sized properties in the north and centre of the country, from the agrarian reform programme.

All these compromises have, however, been rejected out of hand by the farmers' leadership, which is deeply suspicious of the minister, a left-wing member of the Socialist party whom they have publicly denounced as a crypto-Communist.

Observers here were suggesting to-day that the farmers' leadership has now been effectively challenged to admit the truth of allegations that its political aims are broader than simply ending land occupations and that it is part of a widespread campaign to return Portugal to a right wing authoritarian regime.

Turkey puts off talks with U.S.

BY METIN MUNIR — ANKARA, Feb. 10.

TURKISH FOREIGN Minister Ihsan Sabri Caglayangil to-day put off his visit to Washington for talks on normalising Turkish-American defence relations. The decision was said to have been taken because of the illness of Dr. Kissinger's wife, Nancy.

Mr. Caglayangil's visit, which was scheduled to start to-morrow, "will be re-scheduled for the nearest possible mutually agreed date." the Turkish Foreign Ministry here said. This is expected to be either the end of this month or the next.

Although Mrs. Kissinger's ailment was ostensibly the immediate reason for the postponement there was some doubt here last week whether Mr. Caglayangil would keep his appointment with Dr. Kissinger.

Well-informed sources say Ankara was disappointed with the recent debate in the U.S. Senate which once more imposed new conditions pertaining to Cyprus on the extension of military aid to Turkey. Also, the Foreign Ministry was dissatisfied with the progress being made in the Turkish-American talks in Ankara on drafting a new defence treaty. These led the Foreign Ministry to believe that the appointment in Washington was not timely, the sources said.

The postponement of the visit means that the U.S. will not be able to reactivate its bases at least until the visit does take place.

Spain stock market prices sag

Index sagged yesterday raising doubts about the effectiveness of the Spanish Government's efforts to solve serious economic problems by effectively devaluing the peseta, Reuter reports. The Government's decision to let the peseta float downwards by 10 per cent. was expected to increase living costs and cause further labour unrest in Spain.

Meanwhile, an 18-man commission charged with reforming the authoritarian regime left by General Franco is being called to its first session to-day. Headed by Prime Minister Carlos Arias Navarro, the commission is drawn from the Government and the National Movement, Spain's only legal political party.

Basque killing

Suspected Separatist gunmen yesterday killed a man in the Basque town of Cizurquil, according to the Spanish news agency quoted by UPI. It was the second political slaying in two days in the Basque region.

Swiss investment

The Swiss Government has presented a third anti-recession programme involving the raising of new orders totalling some Sw.Frs.2bn., writes John Wicks. It consists of an actual investment plan involving some Sw.Frs.1.2bn. and a Federal investment bonus of 10 per cent. equal to orders worth about Sw.Frs.800m. Of the Sw.Frs.2bn. total, the Confederation will participate with a share of Sw.Frs.759m., the Federal Railways and Post Office with Sw.Frs.179m. and Cantons, Communes and others with Sw.Frs.1,062m.

Polish votes

Poland's Sejm (Parliament) yesterday passed a series of constitutional amendments—which include linking Poland's foreign policy aims with those of the Soviet Union, Reuter reports from Warsaw. The amendments—the first constitutional changes for 24 years—also stress that Poland is a Socialist State with the Communist Party providing the guiding force.

Libyan visitor

Libyan Premier Abdel-Salam Jalloud has arrived in Paris for a short visit during which he will meet President Giscard d'Estaing and other top officials, Reuter reports.

In the absence of official information, the local Press has speculated that the visit is linked to sales of French arms to Libya.

Greeks welcoı Nine's verdict

BY OUR OWN CORRESPONDENT — ATHENS

GREEK PREMIER Constantine Karamanlis declared to-day that Greece's entry into the EEC will safeguard its democratic regime.

In a written statement, he expressed his profound satisfaction at yesterday's decision by the Common Market Ministers rejecting the idea of making Greece wait for a preparatory period before it could join the Community.

He said the EEC Ministers' decision was an historic landmark for Greece. But he recognise dthat the road to full integration will be neither short nor easy, since the negotiations which lie ahead must solve serious and difficult economic and technical problems.

The Greek Press estimated today that Greece will become the 10th member of the EEC in 1980. The newspapers gave front page coverage to the news that Greece has been accepted as a member of the Community without political conditions.

Political observers here to-day said the Ministers of the Nine had obviously seen the issue involved in Greece's ap full membership, be of simple econon stressed that a negat by the EEC Minist after January's equi by the EEC Commi have forced Mr. Ka revise his foreign unpredictable reper the area.

The Greek Prem suggested in his state he considers Greece's into the Community the likelihood of turmoil and deter th intervening in th affairs.

Improvement of of living in Greece weaken the position munists.

The Panhellenic Movement and the party, who together in the 300-member are opposed to EEC The ruling New De the Union of the Centre, the main party, are in favour,

Norway recovery ho

BY FAY GJESTER — OSLO

AN ECONOMIC upturn in Western Europe is likely during the first half of this year, and if it develops as expected, production growth in Norway will be more or less normal, and domestic unemployment is unlikely to become much more serious than at present. This is predicted by the Norwegian Central Bureau of Statistics in its "Economic Surve published here.

The survey warn that if the genera recovery should be way's recession cou become far worse th

Activity is expec tinue high, during sectors of business catering for the h

North-South dialogue begins in earnest

BY MALCOLM RUTHERFORD

NEARLY TWO YEARS after it was first proposed, the consumer-producer dialogue finally gets down to detailed work in Paris to-day. The official title is now the Conference on International Economic Co-operation (CIEC) and the more popular one the North-South dialogue.

It is expected to last for about a year culminating in a meeting of Ministers next December, though a number of factors, including the American elections, could prolong it into 1977.

All told, 27 countries are represented—19 from the oil producers and developing countries and eight from the developed countries. The European Community counts as one, Britain having renounced its claim for a separate seat in return for Community assurances on a minimum safeguard price (MSP) for oil.

The Conference will divide into four separate commissions dealing with energy, raw materials, development and finance. Each commission will have 15 members, ten from the developing countries and five from the developed. Each will also have two co-chairmen, one from the developing countries and one from the developed.

The energy commission will be chaired by the U.S. and Saudi Arabia, that on raw materials by Japan and Peru, on development by Algeria and the European Community, and on finance by the Community and Iran.

There will also be two co-chairmen for the Conference as a whole, a Canadian and a Venezuelan. These may call joint meetings of the co-chairmen of the commissions to act as a kind of steering committee.

In theory, each commission may discuss any subject which a member wishes to raise, and the commissions all have equal status. It remains to be seen how this will work in practice. The energy commission is in a way unique. There has never been an international dialogue of this kind on energy before. All the other commissions, however, tend to overlap with existing institutions.

The commission on raw materials, for example, will be to some extent going over ground already well covered by the United Nations Conference on Trade and Development (UNCTAD), which is due to hold its fourth Ministerial session in Nairobi in May. One theory is that the work of the CIEC commission could facilitate this, another that it will get in the way. Nobody at this stage is very certain.

The U.S. position has been that the finance commission should deal only with the financial implications of the proposals raised in the other three. This has not been formally accepted and the commission could find itself faced with demands for the full-scale reform of the IMF.

On paper, the commissions should produce interim reports around June and final recommendations towards the end of the year, though a great deal will depend on the attitude of the Americans who have so far blown hot and cold and face elections in November.

The British position is one of full support for the dialogue, provided it does not cost too much and the results protect the investment in North Sea oil.

The idea of the conference was first launched by Saudi Arabia at the sixth UN special session in spring 1974, but made ground only when it was adopted by President Giscard d'Estaing of France. Among the developed countries the French President remains the strongest supporter, though Chancellor Schmidt of West Germany is not far behind.

Nuclear reactor | Submarine hull sections | Nuclear reactor | Refinery reactor vessel | Ship repairing | Hydraulic gate

Cromarty Petroleum expects early decision on £150m. Nigg refinery

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

A GOVERNMENT decision is expected in the next few weeks on the two-year-old application for a £150m. oil refinery in the Scottish Highlands. The decision should help to clarify the Government's policy regarding downstream processing activities related to North Sea oil production.

The promoter of the project, Cromarty Petroleum, a subsidiary of the New York shipping group National Bulk Carriers, regards the Government's recent approval of the Burmah-Total Cliffe refinery in Kent, as an indication of a favourable decision on its Nigg project.

Cromarty Petroleum's application for the 10m. tons-a-year plant was submitted in November, 1973. An 11-week public inquiry into the plan started a year ago to-day, producing 38 volumes of evidence. The Scottish Office has had the report and recommendations of the inquiry since December.

The company plans a refinery which will be intended to process North Sea crude only, although initially its intake would include up to 50 per cent. of heavier Middle East crudes.

Union lobby

Its principal products would be naphtha, diesel and heavy heating oils and low-sulphur fuel oils. The company says that, despite the delay in clearing the project, it is still "wholly committed" to it.

A vigorous trade union lobby in Easter Ross has been mobilised in favour of the refinery, whose 500 permanent jobs are regarded locally as an essential aid in insulating the area from the wildly-fluctuating labour demands of the off-shore oil industry projects already there.

The company has been encouraged by the decision last month of Mr. Anthony Crossland, Secretary for the Environment, to sanction the Cliffe project. An inquiry which opened on that scheme in 1972 then recommended against allowing the refinery, although the inquiry was reopened in December, 1974, and made no formal recommendation.

In his decision, Mr. Crosland said that there was evidence of a deficit of domestic refining capacity in the South-East of England, and that the need to provide for exports of refined products strengthened the case for additional capacity. The region's refining deficit would be increased by the extent to which any North Sea oil refined there was exported.

With a surplus of established refining capacity in the U.K., Cromarty Petroleum's case at Nigg appears to rest largely on its planned ability to handle large volumes of North Sea oil, and to export the products.

Investment

It claims that there would need to be substantial investment in altering existing refineries if the domestic industry was to be able to meet the Government's declared objective of processing some 60 per cent. of North Sea crude by 1980.

One other uncertainty about the Nigg project is whether it would be regarded by the Government as a candidate for participation by the British National Oil Corporation.

The Corporation is mandated to become involved in downstream activities, but it is understood that it has not yet discussed any possible role for itself in the Nigg refinery.

Prices body 'A Star Chamber'

By Kenneth Gooding, Industrial Correspondent

THE PRICE COMMISSION was likened to the Star Chamber in an outspoken attack yesterday by the Imperial Group, one of the largest businesses in the country.

"Almost the Court of Star Chamber reincarnate," the Commission responsible to no organisation but itself for the interpretation of its own rules, it was claimed.

"The sooner we can get rid of the Price Commission in its present form the happier it will be for British industry," declared Mr. R. A. Garrett, chairman of Imperial Tobacco, and a main Board member of the parent Imperial Group, after the announcement of the group results for the year to October 31.

He said that, while the current economic circumstances in the U.K. probably justified some form of price control, the new price code to be introduced in August should be more in line with the voluntary pay code.

Imperial — whose interests range from tobacco and brewing to packaging and food — cancelled or postponed a number of investment projects last year, the major one being the proposed new headquarters for Imperial Tobacco at Bristol. This was cancelled even though planning permission had been obtained.

There were investment cuts in all divisions and the major new brewery for Courage at Reading would probably have been further ahead but for this.

Imperial last financial year had to make 72 separate applications to the Price Commission and the direct cost of the work involved was around £100,000. The total cost to the group of making price applications was more like £250,000.

Results, Page 18

Maritime to discuss tanker orders with Harland & Wolff

BY JOHN WYLES, SHIPPING CORRESPONDENT

MARITIME Fruit Carriers, the financially troubled Israeli-American shipping group, has agreed to discussions with Harland and Wolff to discuss the future of its orders for three large tankers to be built at the Belfast shipyard.

The orders represent more than a year's work for the 8,500-strong Harland and Wolff labour force. Management of the Government-owned company is anxiously seeking reassurances that the group's financial problems will not lead to cancellations.

Discussions are unlikely to start until the Maritime's new management has completed its assessment of the company's position. Maritime has defaulted to the tune of $23.5m. on debts of more than $88m. and is trying to reach agreement with its banks on rescheduling loans. A major presentation to leading creditors is expected to be made in London on Monday.

A Maritime spokesman said in New York yesterday that inquiries had been received from parties interested in taking over various operations. The new management, however, was still deeply involved in examining the company's problems and the spokesman ruled out discussions on specific operations until investigations had been completed.

Mr. H. Struve Hensel, the new managing director, said last week that he was hoping to dispose of Maritime's 50 per cent. interest in the three Ultra Large Crude Carriers on order from Harland and Wolff and due for delivery in 1977 and 1978. The other 50 per cent. is held by Coastal States Gas which has chartered the vessels on "very satisfactory terms," according to Maritime.

The loss of any of these orders would be a calamity for the Belfast yard whose prospects are already grim because of its heavy commitment to building tankers. The world tanker surplus has wiped out any real prospect of new tanker business and no orders for other types of vessels are on the horizon. Even if the Maritime ships are built, large-scale lay-offs could start at Harland and Wolff towards the end of next year.

EEC mo[r]e flexible on comp[any] accounts

By Michael Lafferty, Cit[y]

THE EUROPEAN Co[mmission] has given in to British [...] of its proposed fourth [...] on company accounts an[d] prepared to adopt a m[ore] flexible approach to the [harmoni]sation of company law [in the] Community.

The Commission also [...] publish its proposals o[n] [consoli]dated accounts by East[...]

This was made clear [...] yesterday by Mr. Edoar[...] a senior official of t[he] internal market depar[tment] Brussels. He told the Cit[y Univer]sity Graduate Busines[s ...]

Other Home [News] on Page 2

that the fourth directi[ve] now be approved by th[e Council] of Ministers in 1978 an[d] into force in 1980.

Mr. Michael Renshal[l, techni]cal director of the In[stitute of] Chartered Accountants [in Eng]land and Wales, desc[ribed the] Commission's apparent [change of] heart as "welcome new[s]."

He said: "We have b[een ...] for some time to pr[...] point of view."

The present draft of [the] directive has been crit[icised be]cause of its inflexibilit[y] towards allegedly [...] Franco-German a[...] systems.

In its present form i[t ...] companies to adopt sta[ndard lay]outs in their accounts [...] fies certain accounting [...]

The Commission will [...] it obligatory for com[panies to] depart from the model[s] and valuation rules w[...] consider that to ap[...] would be incompatible [...] over-riding principle o[f a] true and fair view.

Shipyard orders run down

By John Wyles, Shipping Correspondent

THE CONTINUING depression affecting world merchant shipbuilding is spotlighted by the latest figures from Lloyd's Register of Shipping, showing that total orders fell in the last quarter of last year to the lowest level since September 1972.

Only Brazil, Poland and South Korea increased their order books during the quarter.

The total world shipbuilding order book dropped 10.3m. gross tons between September and December to 82.34m. gross tons. The reduction was due to completion of ships on order, cancellations and the relatively low volume of new orders.

Japan's shipyards, under fire from West European shipbuilders for alleged price cutting, showed a "massive decrease" in their orders, according to Lloyd's, of 6.4m. gross tons. This left Japan's order book total at 31.3m. gross tons.

Britain's order book fell by 374,270 gross tons to 4.93m. gross tons, Sweden's by 148,511 to 6.5m. gross tons, the United States by 203,518 to 4.97m. gross tons and France's by 29,426 to 4.86m. gross tons.

Cancelled

More than 18m. of tanker tonnage was cancelled during the year, leaving a total of 5m. gross tons on order.

● An unfashionably optimistic view of tanker prospects has been published by Terminal Operators. A report, Outlook for World Tankers 1976 to 1979, argues that the present surplus of more than 80m. deadweight tons could be drastically reduced by 1979 if world economic growth trends continue.

The report argues that estimates that the tanker surplus will last well into the 1980 have ignored the impact on tanker demand of the distances between main producer and consumer countries.

It call for "guarded optimism" that there will be a rise in the tanker market in late 1978 and early 1979.

An outlook for World Tankers. Terminal Operators, Rodwell House, Middlesex Street, London, E.1. £55.

Clash over number of petrol station closures

BY RAY DAFTER, ENERGY CORRESPONDENT

ABOUT 1,100 petrol stations closed last year because of falling demand, according to the Institute of Petroleum. But the institute hopes that there will be fewer closures this year.

The institute's latest survey of the petrol retail market contrasts sharply with recent statements by the Petroleum Retailers' Association. According to it petrol stations have closed at the rate of 10 a day since September, while the institute says no more than four a day have closed.

Even some of the 1,100 garages which stopped selling petrol remained in business for car service, the institute says. In spite of the 2.5 per cent. drop in petrol demand in 1975, the total number of closures was well in line with the average over the past five years.

Consequently, it is estimated that there are now 31,400 stations, 5,700 fewer than at the beginning of 1971. Demand for petrol this year is expected to remain at 1975 levels in spite of the cut-price war on garage forecourts. "There is no reason to predict a massive rate of closure in 1976," the institute states.

The figures and the assumption were immediately challenged by the retailers' association. "Our figures are based on a much closer observation of the market. The institute depends on voluntary returns from oil companies. No marketing company is going to report the true extent of losses."

The association again called on the Government to make a national survey of petrol retailing outlets. This could be based on local authority licences. "We are sure that if the survey was conducted now it would show that Britain has around 27,000 sites — rather than the 31,400 quoted by the institute."

The institute, which has 5,500 individual and 250 company members, obtains its statistics through a survey of all oil companies operating in the U.K. The latest figures show that of the 31,400 petrol stations nearly 23,000 are owned by oil companies. Indeed, last year there was a decline of about 100 in the number of oil company-owned ones.

Decreasing

There are about 3,500 self-service stations, 11 per cent. of the total as against a 5.3 per cent. share in 1971. But the pace of introduction of new or converted self-service stations has decreased each year. In 1972 there were 609 more, while last year there were only 222.

The figures relating to the number of closures will inevitably add fuel to the controversy on petrol retailing. The relationship between the major oil companies and their retail outlets is being examined by the Monopolies Commission. The reference to the Commission has been influenced by the renewed outbreak of the petrol price war, which the Petroleum Retailers' Association feels could further damage the retail trade.

More police buy German motor bikes

By Peter Cartwright, Midlands Correspondent

SOUTH YORKSHIRE Police Authority yesterday joined the growing number of forces buying foreign motor-cycles to replace their Norton Interpol and Triump machines made by Norton Villiers Triumph, whose two Midlands plants are in liquidation.

The South Yorkshire force has decided to buy eight German BMWs instead of the 10 Norton Interpols it had ordered from the Wolverhampton factory, which for more than seven months has been occupied by 700 of the former labour force.

Nearly 100 Interpols are among machines — either awaiting delivery or in an advanced state of assembly — which the action committee picketing the factory will not release.

Mr. Jack Everatt, the chairman, has persuaded the South Yorkshire force to keep orders for five more Interpols alive while the future of the plant is negotiated with a consortium led by Mr. C. Titcombe, an Australian oilman.

Other police forces, which altogether need about 400 machines a year, have also bought or are thinking of buying German or Japanese machines, for lack of British ones.

The biggest prize of all is the replacement of the London Metropolitan police traffic control fleet of 400 Triumph 650cc machines.

This could add up to an order worth more than £500,000 with spares. BMWs are understood to be under consideration.

Meriden motor cycle co-operative near Coventry is also re-entering the market to supply police forces. It used to make "Saint" variations of the existing 650cc Bonneville.

Two machines are being evaluated by the West Midlands force, which needs 26, and the co-operative has promised Manchester force that the 24 it needs could be ready within a fortnight.

It has also discussed the possibility of meeting the Metropolitan Police needs.

Brentford Nylons plans return to five-day week

FINANCIAL TIMES REPORTER

THE 1,400 workers at the Cramlington, Northumberland, factory of Brentford Nylons are to go back on a full working week by the end of the month.

The workforce was cut by 600 because of a big drop in orders late last year and has been on a three-day week since the beginning of January.

The company says that the order situation now allows for a phased return to five-day working before February 29.

They had originally hoped to go onto a full week at the beginning of February but a new fall in orders prevented this at the last minute.

The delay annoyed the unions at the factory, who called for a Government inquiry into its running.

But in Newcastle-under-Lyme, 500 workers at the GEC motor works have been put on short time working, following a fall in demand for their products. The workers will miss one week out of four. A management spokesman blamed competition from abroad.

More than 500 workers at Head Wrightson moulding and foundry plants at Stockton, Billingham and Hartlepool—all on Teesside —have been put on short time. The company blames the shortage of orders.

State pla[n] for airli[nes] out to-d[ay]

By Michael Donne, Aerospace Correspond[ent]

THE GOVERNMENT[']s [long-]awaited White Paper [on] aviation policy is expe[cted to be] issued to-day.

It is believed that it [will set] out the details of the [plans] outlined by Mr. Pet[er Shore,] Secretary for Trade, [last year,] for the ending of "d[uplica]tion" between Briti[sh air]lines on major route[s, and the] introduction of a new ["spheres] of influence" policy. [Under it] British Airways and B[ritish Cale]donian each would hav[e its own] part of the globe as [its] operating area.

Each airline would b[e required] to give up some part [of its] work in favour of the [other. It] is understood that the [delay in] producing the White [Paper has] stemmed from difficult [...] discussions between th[e airlines] and the Department of [Trade on] this issue.

The Government's ho[pe is that] the decisions to be a[nnounced] will serve as the basi[s for the] evolution of U.K. air [transport] policy for at least th[e next 15] to 20 years.

Whether this occurs [depends] on the response to the [plan] by not only the two air[lines but] also the unions, which [in British] Airways are implacabl[y opposed] to any suggestions of ["give]away" to Briti[sh Cale]donian.

British Caledonian, [on the] other hand, is likely to [be reluc]tant to give up routes [on which] it has spent substantial [sums on] development, such as t[he North] Atlantic, unless it is g[iven con]siderable compensator[y routes] elsewhere.

Tyndale school case ends after 70 days

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE PUBLIC INQUIRY into the dispute at William Tyndale Junior School, London, ended last night after nearly 70 days in session.

An interval of several weeks is expected before Mr. Robin Auld, QC, chairman of the independent inquiry, hands the Inner London Education Authority his report on the 18-month dispute between the school's managers and seven of its eight full-time staff.

The inquiry has raised nationally important issues, such as who should be responsible for controlling the use to which State schools are put. The report will be made to ILEA, which would have the right to withhold publication, although it is unlikely to do so.

In "pay-out" terms, such as hire of counsel and solicitors, the inquiry has cost more than £30,000. But an extra, uncalculated cost to the ratepayer is represented by the time given up for the inquiry by various ILEA staff.

These include six of the seven teachers involved in the dispute, who have attended the inquiry regularly and are now pressing to return to the Tyndale school. Their return would mean displacing the temporary headmaster and staff who have been there since the inquiry opened on October 27.

According to ILEA yesterday the solicitors for the parties concerned are discussing whether the six should return. This should lead to a decision later this week.

There seems little doubt that senior members of the authority would prefer the teachers not to return, even though this would probably mean their continuing on leave with full pay until the report is produced and ILEA decides what action, if any, to take on it.

Stranded oil tanker seen as total loss

MARINE insurance underwriters in London expect the Onassis oil tanker Olympic Bravery to be written off as a total loss.

The newly-built vessel is still stranded on rocks off north-west France.

There is no sign of a fresh salvage attempt after the German bid to refloat her ended last week.

The ship is valued at $50m. for insurance purposes. More than 40 per cent. of the loss would be borne by Lloyds and other London marine insurers.

FT CONFERENCE

Five-year voluntary pension code plan backed by most of Board

BY BRUCE ANDREWS

MEMBER-PARTICIPATION on pension trustee and management Boards should for the next five years be governed by a voluntary code of practice. This is the majority view of the Occupational Pensions Board, Sir Philip Allen, the chairman told the Financial Times Pensions Conference yesterday.

His Board had recommended to the Government that time should be allowed to assess the effect of the code before giving it statutory backing. It saw no reason, however, why representation should not be divided on a 50-50 basis.

An investment man's view on employee representation was given by Mr. G. Ross Goobey, president of the National Association of Pension Funds. To get the best possible investment result, he said, every member of an investment committee should be an investment expert, preferably a pension fund expert. Non-experts could damage fund finances. A wealthy director with heavily-taxed and generally short-term investments of his own could be ill-equipped to make long-term investment decisions.

It was also dangerous to let sentiment enter into business decisions. Committee members alleged to represent employees, if not investment experts, might ban investment in South Africa, in tobacco companies, in breweries or in property. He recalled a chairman of trustees who advised against a fund investment in property because his aunt had once sold her house at a loss.

Mr. Ross Goobey also warned of the danger to funds of direction of investment. "The trustees, through their investment managers, are responsible to get the best possible result. Once one departs from this principle, the incentive and the impetus are lost."

Terry Kirk

Mrs. Barbara Castle, the Social Services Secretary, the lunch guest speaker, addresses the conference delegates.

Mr. Michael Pilch, director of Nobel Lowndes Employee Benefits Division, told his predominantly male audience that in the pension field it was men, and not women, who were discriminated against because of the difference in pensionable ages. Advocating the introduction of a flexible non-discriminatory retirement policy, he said the subject was one on which there was a conspiracy of silence among politicians because it was "the biggest vote loser of all time."

His remarks lost some impact when Mrs. Barbara Castle, Social Services Secretary, told the conference in her lunchtime speech that she considered it "quite right that women should work until they are 65."

Dr. Giovanni Tamburi, Chief of the ILO Social Security Department, said that a rough assumption could be made that the lowering of the retirement age from 65 to 60 could increase the actuarial cost of a pension scheme by 45 to 50 per cent.

Governments, until recently, were against lowering retirement age because of the fear of this type of increase, he continued. But now some were taking the opposite view and favouring early retirement.

Operating in this fashion to alleviate a labour market imbalance could be disappointing because the jobs they vacated did not necessarily become vacant for someone else, and dangerous because the reduction in pensionable age might be irreversible. This could create further economic and social tensions in future years.

Merseyside hospital co[st] escalates

By Donald Maclean

MERSEYSIDE Regiona[l Health] Authority has been aske[d by the] Department of Health a[nd Social] Security to provide a rev[ised esti]mate of the completion [cost of] the 830-bed Royal Liver[pool Hos]pital, now under constr[uction].

The new hospital is [designed] to replace the existin[g Royal] Liverpool and four ot[her hos]pitals. Finance is being [provided] by the Government.

Up to September, £2[...] been spent on the deve[lopment,] the regional authori[ty said] yesterday, and a furthe[r ...] was projected to be sper[nt. Work] on the hospital started [in ...] when the expected c[ost was] £13m. and the estimated [comple]tion date was then 197[...]. [It is] now thought that co[mpletion] could be in 1978.

The authority said th[at infla]tion and exceptional con[struction] difficulties had "grea[tly in]creased original estimat[es" fol]lowing the liquidation [of the] original contractors, Ter[...]

GLC attacked over Mayfair meter rises

GREATER LONDON Council was accused yesterday by the Royal Automobile Club of "riding roughshod" over objections to Westminster City Council's proposals to increase parking meter charges in Mayfair. The council's plans call for meter charges to be trebled and in some cases increased six-fold.

The RAC said it had learned yesterday that Westminster had given the go-ahead to the new charges, which come into effect in four stages next month. "It would seem that the GLC intend riding roughshod over the objections to these proposals. We have called for an explanation as to why the procedure appears to have been altered, so we may know the reason for such a decision being made in unexpected haste."

The RAC had expected to be consulted before the proposals were put into force.

U.S. to lobby against soya imports scheme

BRUSSELS, Feb. 10.

THE U.S. will intensify lobbying in Common Market capitals to get the EEC Commission to drop plans for an import deposit scheme on soya bean meal from the U.S., say diplomatic sources.

The plan, put forward by Mr. Pierre Lardinois, the Agriculture Commissioner, at a meeting of EEC Foreign Ministers last night, is the latest Commission scheme to reduce 600,000 tonnes of surplus skimmed milk powder.

It replaces earlier ideas for forcing EEC feed producers to incorporate skimmed milk powder in their animal feeds, or to get the Community to subsidise storage of imported soyameal until the skimmed milk powder has been used up.

Reuter

Finance deals 'show confidence in N. Sea'

BY RAY DAFTER, ENERGY CORRESPONDENT

RECENT financing arrangements for offshore oil fields have demonstrated that the financial community is confident the North Sea is "an area of profitable investment," Mr. John Smith, Minister of State for Energy told the Commons yesterday.

Mr. Smith cited the £135.5m. financing package for the Claymore field, raised by the Occidental and Thomson groups, and the £75.75m. stock issue by London and Scottish Marine Oil and Scottish Canadian Oil and Transportation for the Ninian field. The stock issue, he noted, had proved attractive to investors and had been fully successful.

The Government welcomed the conclusion of the transactions which reflected credit on their organisers and "amply demonstrate the confidence of the financial community, here and abroad, in the U.K. North Sea as an area for profitable investment."

Indeed, it is felt within some quarters of the oil industry, that the Government has taken a more conciliatory attitude to participation and State involvement in North Sea in order to encourage the current round of financing deals.

This was particularly apparent in the case of the LMSO and SCOT issue. Their joint prospectus showed that the Government was willing merely to take an option on 51 per cent. of the output from the field which might be bought at market prices. Previously it was thought the Government—through the British National Oil Corporation—would take an equity stake in the LMSO and SCOT share of the Ninian field.

Aire Valley inquiry closed

THE INQUIRY into the Aire Valley trunk road plan was formally closed at Shipley Town Hall, Yorks, yesterday after the Government announcement that it would be heard all over again.

The inquiry has been continually interrupted by opponents of the road. Only two protesters were at the town hall as it ended.

Essex rate of 51p proposed

A RATE of 51p—an increase of 7p—has been recommended for Essex by the county's co-ordinating and finance committee.

Inflation accounts for nearly 5p of the increase.

Corby District Council in Northamptonshire yesterday approved a 9.19 per cent. increase in the rates demand for this year.

The council cut £240,000 from its original budget to keep the rise below 10 per cent.

Babergh District Council in Suffolk this week will consider a recommendation to reduce the rate by 0.8p to 13p.

SNOW REPORTS

	Depth (cms.) L	Depth (cms.) U	State of Piste	Weather	°C
Andermatt	30	150	Good	Fair	8
Isola 2000	200	230	Good	Cloud	7
Lermoos	15	70	Fair	Fine	12
Murren	75	140	Good	Fair	−2
Niederau	15	50	Fair	Sun	2
St. Anton	50	250	Good	Fine	−2
Tignes	50	100	Good	Cloud	−1
Verbier	30	180	Good	Cloud	5

Above reports supplied by Ski Club of Great Britain. The following reports are from other sources:

GERMANY	L	U	State of Piste	Weather	°C
Berchtesgaden	10	90	Good	—	−4
Garmisch	5	40	Fair	Cloud	−1
Kleinwalsertal	60	180	Good	—	−4
Oberammergau	15	90	Good	—	1
Oberstdorf	20	100	Good	Cloud	−1

SCOTLAND

Cairngorms: Main runs complete, wet snow with icy patches. Vertical runs 1,500 feet. Access roads clear. Snow level 2,000 feet. Glenshee: Main runs complete and ample nursery areas. New snow on hard base. Vertical runs 1,000 feet. Access roads slight snow. Snow level 2,000 feet. Glencoe: Main runs complete and ample nursery areas. New snow on firm base. Vertical runs—1,500 feet. Access roads slight snow. Snow level 2,100 feet. Forecast: Squally showers of snow or hail.

Co-op Bank opens budget account credit service

FINANCIAL TIMES REPORTER

THE CO-OPERATIVE BANK has introduced a revolving credit budget account facility. The aim is to help families control their spending by spreading the burden of bills evenly throughout the year. Current account customers who use this service can obtain up to £1,000 overdraft.

With a minimum monthly transfer of £10 a month to a budget account, customers can borrow up to 24 times the amount of the monthly transfer. Apart from interest of 1½ per cent. per month (17.81 per cent. per annum effectively) charged on overdrawn accounts — the limit of the facility at any time is £1,000—a budget account incurs no charges, in contrast with budget accounts of other clearing banks, which operate on a fee basis, irrespective of usage. In addition, a small interest is paid on credit balances.

Budget accounts are offered by the Midland and National Westminster Banks, but the Yorkshire Bank ended the service three years ago because of slack demand. The Co-operative Bank entered the London Clearing House in October. It has 56 branches in addition to 4,000 in-store banking points in Co-operative shops.

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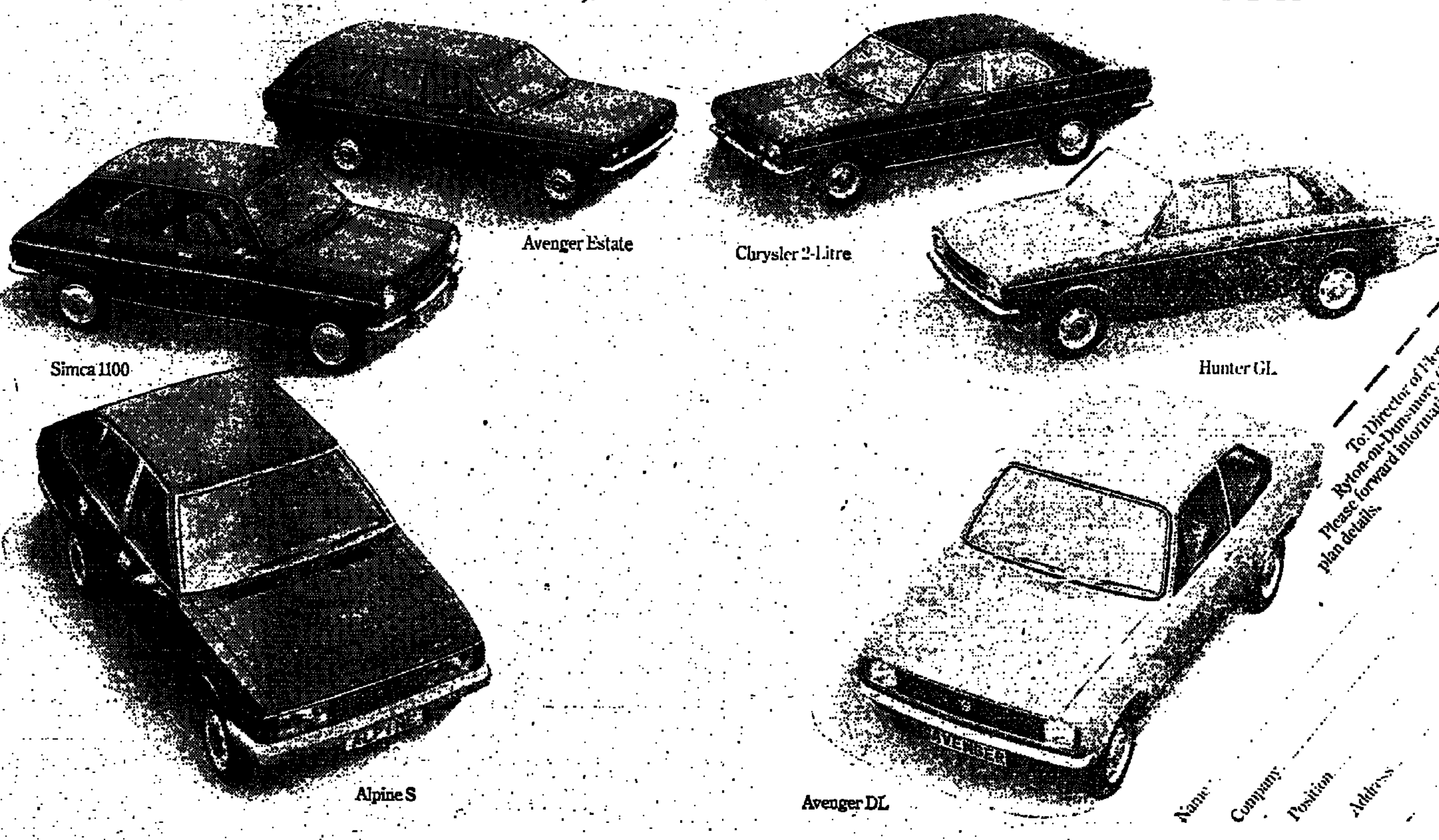

To: Director of Fleet Sales (Cars), Chrysler UK Limited, Ryton-on-Dunsmore, Coventry CV8 3DZ, Warwickshire.
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Name Company Position Address Telephone

FT3

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Halves the cost of dyeing

TEXTILE dyers and finishers in Britain have two serious problems which, as time passes, are likely to increase rather than diminish. The first is the cost of power, for the rise in the costs of fuel oil and other heating materials, has added greatly to their processing costs. Now there is a danger that water charges will rise to a level that could make textile wet processing almost impossible within the framework of an advanced industrial economy. This is a predictable situation that can be shown by simple extrapolation of figures for fuel and water.

The only thing that is likely to save the industry, or at least offer a solution, is to find ways and means of saving power and reducing the amount of water consumed and discharged by the factories and dyehouses.

Normal dyeing of a textile material, whether it be simple loose fibre or almost finished fabric, requires immersion in a bath of water in which a dyestuff has been dispersed. This is heated up and after a certain period the dyeing is completed, and the material is then extracted and finally dried.

To use 20 times more water than material being processed is common practice and with new systems this can be reduced to say 10:1 or, with the most advanced commercial machines, it may even be lowered to 5:1, but this is more frequently the exception than the rule.

A completely new approach to dyeing loose fibres or loose stock has been developed in Scotland by the Dawson International Group at Selkirk. This new system works on the astoundingly low ratio of 1:1. In other words it requires only the same weight of dye liquor as the weight of material being processed. This has immense implications for the continuous dyeing of all kinds of textiles although it is at present confined to loose stock.

Briefly the process may be explained as follows: The fibres are fed on to a feed system from a hopper which delivers a consistent amount of fibre into the dyeing range. This fibre advances up an incline at the top of which a concentrated dye liquor is sprayed on it through a series of jets. Any dye that would have dropped through the mass runs down the conveyor and is picked up by the stock advancing towards it.

Dye is then forced into the mass of fibres by means of a nip of the padding machine. This effectively squeezes the two elements together and forces close contact.

From impregnation, the wetted material is fed between two glass fibre conveyor scrims positioned above and below the mass. This double conveyor condenses the mass and takes it into a heat-resistant glass tunnel. This tunnel runs the length of a chamber which is a radio-frequency (RF) heating oven. Immediately it enters, the RF causes the water to reach boiling point and in a matter of seconds dyeing is completed. This will depend on the fibre being processed — mostly confined to wool at present.

RF heating has long been the dream of textile processors, but until now it has appeared to be too critical to lend itself to use in the industry on a large scale. With the new type oven it is possible to generate heat exactly when required and the input of power is restricted entirely to heating the water in the mass of fibres and the protective cover of the range is in fact cold. The temperature, because there is a compressed mass of material in the glass chamber, tends to rise slightly above the 100 degrees C and so accelerate dyeing. Utilisation of power in this new system is estimated at about 50 per cent, which compares with only 35 per cent. when steam heating is used.

Treated material emerges from the chamber hot and is given a brief wash-off, although this may be unnecessary in certain instances, and then dried through a nip and finally through a short oven which may be boosted by heat extracted from the RF chamber. Dawson claims about 20 per cent. of the heat can be recycled in this way.

It is expected that a light drying that brings the fibre to slightly more than the normal moisture regain level will allow it eventually to be fed direct to a carding machine which in turn may well feed direct to the spinning room.

The new dyeing system is being commercialised and Dawson International has concluded a licensing agreement to build plant with Platt Longclose (Dewsbury Road, Leeds LS11 5LF. 0532 709831).

The normal commercial line now in operation is able to process 200 kg/hour of wool, which, after dyeing will give fibre that has considerably improved extension when compared with conventionally dyed wool, this being a great advantage, particularly with knitters. Dyeing costs, excluding dyestuffs, with the new process are said to be reduced by half.

● COMPONENTS

Magnetrons for radars

A PAIR of L-band tunable magnetrons each able to deliver a minimum peak output power of 2.2 MW and together covering 1270 to 1370 MHz are being made available by Thomson-CSF Electronic Tubes.

Designated MCV 1352 and 1353 the tubes are well suited for air traffic control and other air search radars and in particular for moving target indication systems requiring RF pulses relatively free from jitter.

Since they are tunable and spares support problem is simplified. For example, in two nine frequency diversity systems, only one spare MCV 1352 is needed as long as both operating frequencies fall in the 1270 to 1320 MHz band.

Both magnetrons are cooled by a simple water circulation system operating with ordinary tap water. More from Ringway House, Bell Road, Daneshill, Basingstoke, Hants., RG24 0QG (0256 29155).

Easier to carry the battery

THREE injection moulded glass fibre components—a lid with instruction label, a box with two internal battery cables and two terminals moulded in, and a base unit with two moulded-in terminals—are used to make up a new type of box for housing batteries.

The box will take 12-volt batteries up to 175 mm. wide, 225 mm. long and 230 mm. high. Its base unit is secured, where required, by eight screws and permanently connected into the battery circuit and the battery is connected inside the box. When the box is placed on to the base, the terminals mate and the battery is connected to its circuit. Normal engine starting, charging and lighting currents are handled.

Moulded handles at each end of the box enable removal from the base which automatically disconnects the supply. There is thus no need to connect or disconnect cables. The box is being marketed by Blythwood Containers, 8 Cedar Place, Gateway Close, Northwood, Middx. HA6 2RW (Northwood 27195/27031).

Final dressing operations at Head Wrightson (Steel Cast) Billingham foundry on a rocking beam bearing support casting prior to despatch to Davy-Loewy Manufacturing Division, Sheffield, for machining. The casting, which weighs about nine tonnes, is one of 16 being supplied to Davy-Loewy for the Thames barrier contract. Altogether, Head Wrightson is to supply more than 600 tonnes of steel casting for this project. The rocking beam bearing houses the main shaft on which the rocking beam pivots. In turn the rocking beam applies the necessary movement to the barrier gate through the gate linkage.

● ELECTRONICS

Scans and digitises

A HIGH performance analogue to digital converter accepting 16 single-ended analogue data channels and suitable for mounting direct to a printed circuit board has been put on the market by Analogic of 68 High Street, Weybridge KT13 8BN (Weybridge 41251).

Costing under £200 the MP6812 is a completely integrated subsystem in which all the necessary control and timing logic has been incorporated, together with circuits that provide for three different analogue inputs, four ranges, three output codes and three different output formats. A stand-alone system, the MP6812 needs only a power supply for support.

It has been designed to interface directly to the byte-oriented bus structure of microprocessors accepting either 16 single-ended or 8 differential channels. Tri-state output gates allow easy interfacing with four, six or 12-bit input-output buses by providing four, eight or 12-bit bytes at input signal conversion rates of 30kHz.

Equipped with serial as well as the parallel outputs, the unit also features flexible multiplex addressing, automatic sequential addressing and other modes of operation.

Long life relay

LOADS of up to 20 amps can be switched, with adequate heat sinking, using a hybrid relay offered by AMF International, Whitby Road, Bristol BS4 4AZ (0272 778383).

These relays combine the advantages of solid state triac load switching with the high input to output isolation of a reed relay. They can withstand a very high inrush of current (up to 150 amps non-repetitive) and have a claimed lifetime of 10m. operations at rated load.

Without heat sink the units will switch up to seven amps, and they are rated for either 240 or 120 V operation at 50 or 60 Hz. Control voltages range from five to 48 V DC and the coil operating power is nominally 450 mV on the 240 V models.

Likely applications are in vending, photocopying, instrumentation, machine tool and process control systems. The switching arrangement is single pole single throw with normally open contacts. Dimensions are 67 x 39 x 42 mm.

Records in the field

MEASURING only 130 x 214 x 170 mm and weighing 3 kg, a miniature chart recorder for field or laboratory work has been introduced by Philips Eindhoven which will provide 750 hours of continuous recording at the lowest speed.

There are four push-button input voltage ranges of 10 mV, 100 mV, 1 V and 10 V with 1 per cent accuracy and 0.5 per cent. reproducibility. Span is fully variable from 10 mV to 100 V with built in calibration check signal. Z-fold chart paper is used with 120 mm width for easy handling and better resolution and there are two standard paper speeds of five and 20 mm/min. The chart length is 15 metres.

Power requirement of the machine is only 5 VA and it will run on most mains voltages. An optional battery pack/inverter can be mounted under the recorder, or operation can be from an external 12 V vehicle battery via the inverter. The disposable, felt pen cartridge is easily and quickly changed and provides about 1500 m of recording. More from Pye Unicam, Cambridge. (0223 58866).

Doubled design power

AMI Microsystems has doubled the capacity of its custom design facility at Swindon, a move brought about by the recent increase in consumer product applications for customers in various parts of Europe.

Among the centre's 12 current projects are washing machine timers, domestic oven controllers and tuning control systems for radio and TV, all in MOS technology. Rather significantly, 11 of the projects are for companies in Italy, France, Germany and Spain.

AMI are reluctant to give names, but one of the systems is known to be a TV tuner panel for Philips. According to AMI it is lack of advanced technology investment cash that holds back U.K. appliance makers. AMI is at 108A, Commercial Road, Swindon, Wilts. (0793 31345).

● COMPUTING

Graphics sub-system

THE most advanced interactive graphics display processor yet announced by Digital Equipment, the VS 60, is designed as an add-on for any PDP 11 computer with Unibus architecture.

Costing £22,500, the VS 60 has a 53 cm. (21 inch) CRT, light pen and display processor unit. Applications are in computer aided design or rapid high intensity data display in fields ranging from electronic and mechanical engineering to architectural design.

In addition to features such as hardware stroke vector and character generators, hardware blink, eight intensity levels and four line types, the machine also offers super and subscript characters, hardware scaling, and the ability to drive two independent screens.

Supported under both RT-11 and RSX-11 operating systems with a Fortran graphics subroutine package, the VS 60 is upward compatible with the company's existing VT 11 graphic system. More from Digital House, King's Road, Reading, Berks. (0734 583555).

Motorola's micro pact with CTL

UNDER AN agreement between CTL and Motorola Semiconductor Group, CTL is making available support to existing and future microprocessor users. This agreement has been developed in collabo[…] Motorola's distributor[…] vices provided […] initial exploratory co[…] total system responsib[…]

CTL and Motorola […] at an early stage […] majority of poten[…] would be unable to […] benefits microproce[…] unless specialised […] pertise (as found […] lished computer co[…] available.

CTL will provide […] into the feasibility of microprocessors in applications; cost a[…] ance estimation; and specifications as well […] sion of the applicati[…] tion into a working s[…]

Hardware prototy[…] tion and hardware will also be provid[…] with aids for develo[…] finding and checkout.

Likely additions Motorola/CTL agree[…] for CTL to provide […] maintenance and s[…] Motorola's EXORcis[…] development tool […] microprocessor syste[…]

Computer Techno[…] Road, Hemel Hemps[…] HP2 7EQ. (0442 3272[…]

● POLLUTION

Atom w[…] storage

STORAGE of radio[…] at Hinkley Point, […] the function of a […] under construction.

CEGB has award[…] west region of […] Construction the […] tract to build the […] structure in seven […] work has just start[…]

The new building […] of a basement stora[…] ground floor pro[…] packing area and […] comprising a lab[…] building services. T[…] will be used fo[…] storage and decay o[…] waste (packed in […] the existing Hinkl[…] nuclear power static[…] station, which may […] sioned this year.

The material w[…] ported to the buildi[…] under strictly cont[…] tions to avoid leak[…] tamination. It will […] in plastic-lined, […] approved for the p[…]

● RESEARCH

Low-cost holograms in schools

DEVELOPMENT work on holography, carried out at the Department of Mechanical Engineering at the University of Technology, Loughborough, has led to the production of low cost holography kits for use as education aids. For only £15, the Department is able to supply a simple outfit—including a sample hologram—that will enable a standard slide projector to be used for classroom viewing of a hologram.

The kit comprises a set of inexpensive gelatine filters for reducing the light source to a narrow band width, and suitable masking mounts for use with the specimen hologram.

The educational value of holograms has not been generally recognised before, but scientists at Loughborough clearly see a great future for this application of the technology. By yielding 3D pictures in which the perspective changes if the viewpoint moves, new information can be provided for the student. Expensive and cumbersome models can also become available cheaply and more conveniently in the form of holographic plates—for example, a whole range of molecular models.

The work at Loughborough is not being carried out on a commercial basis, but could lead to a whole new field opening up for publishers. If the demand was there, it is estimated that copies of a hologram could be mass-produced and sold for as little as £2 each.

JOHN CHITTOCK

● CONSTRUCTION

Expansion joints with angle edges

UNTIL RECENTLY highway engineers have been unable to test the theory that chamfered-edge expansion joints in concrete might result in less edge breakage, since no commercially applicable method of forming such joints has been available.

In the U.S. a technique has been developed to cut these joints in one operation using a specially equipped diamond saw. Originated by Cougar Cutting Products Inc., of Livonia, Michigan, the equipment was used to cut some 7,925 linear metres of jointing on Interstate 10, near Clare in Michigan.

The 65 hp concrete saw used for the project produced 12 mm. wide, 50 mm. deep joints, with a 45 degree chamfer at each edge. To machine the chamfers two angled-face grinding wheels, electroplated with 30/40 US mesh De Beers EMB-S natural diamond, were used, one on either side of the 300 mm. diameter saw blade. Rotating at 2800 rpm, the saw blade cut a conventional groove to the required depth, at which the grinding wheels contacted the edges of the groove and machined a 45 degree chamfer.

Industrial Diamond Information Bureau, Charters, Sunninghill, Ascot, Berks., SL5 9PX (0990 23456).

● MINING

Powerful hydraulic drill

LATEST Minotaur hydraulic drill from Victor Products (Wallsend), P.O. Box Wallsend, Tyne and Wear NE28 6PP, (0632 628331) is capable of drilling holes to a depth exceeding 300 ft., but is said to be easily transported.

Features of the drill are: adequate thrust to ensure that the stand pipe or sealing tube can be easily inserted; roller guide and rod locking clamp can be swung to one side; drill head can be swung to either side or removed, giving ease of access to the drilled hole for the insertion or removal of the core barrel, etc.; retractable drive shaft to simplify rod engagement.

The equipment is in three sections, the carriage and drilling unit; the control unit (which will operate on mineral oils, flame-resistant emulsions or water glycol mixtures at pressures up to 2,000 psi and flows up to 15 gpm) giving fast advance of 16 ft./min. and retract 22 ft./min.; and the power pack unit which comprises a 10 hp 3 phase flameproof squirrel cage motor, together with a 25 gallon fluid reservoir. The drill will take bits up to 75 mm. diameter.

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

Notice of Redemption

Beatrice Foods Overseas Finance N.V.

9% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1970, under which the above-designated Debentures are issued, $2,000,000 aggregate principal amount of such Debentures of the following distinctive numbers has been drawn for redemption on March 15, 1976 (herein sometimes referred to as the redemption date):

$1,000 Coupon Debentures Bearing the Prefix Letter M

M	6	723	1455	2249	3070	3895	4595	5427	6292	7058	7865	8739	9609	10433	11146	11920	12701	13612	14356
	14	727	1483	2256	3074	3898	4610	5452	6294	7081	7883	8765	9622	10446	11161	11935	12716	13619	14381
	40	734	1484	2257	3075	3905	4615	5466	6304	7121	7887	8767	9624	10449	11163	11937	12729	13624	14387
	43	743	1491	2259	3099	3923	4619	5488	6306	7122	7888	8774	9635	10458	11167	11940	12730	13648	14388
	47	745	1501	2278	3101	3926	4632	5491	6311	7133	7890	8776	9626	10461	11181	11959	12756	13651	14391
	50	748	1505	2279	3111	3933	4637	5502	6320	7143	7896	8782	9640	10473	11184	11961	12764	13654	14395
	52	763	1509	2291	3120	3935	4645	5506	6329	7148	7899	8793	9643	10474	11187	11982	12768	13656	14399
	62	763	1513	2305	3129	3936	4659	5508	6347	7160	7903	8797	9648	10478	11198	11993	12777	13666	14402
	69	798	1523	2320	3165	3941	4671	5511	6353	7169	7913	8800	9649	10480	11200	11999	12778	13686	14411
	73	799	1532	2321	3170	3948	4674	5521	6355	7172	7914	8808	9660	10482	11211	12004	12790	13699	14413
	78	806	1544	2339	3171	3953	4696	5527	6356	7173	7923	8813	9675	10484	11228	12016	12814	13714	14415
	82	807	1548	2341	3182	3957	4741	5539	6366	7181	7930	8815	9678	10507	11241	12026	12815	13726	14416
	83	808	1550	2351	3187	3966	4760	5533	6375	7192	7940	8821	9680	10510	11242	12048	12822	13731	14424
	88	816	1555	2356	3195	3979	4762	5543	6379	7203	7963	8848	9681	10526	11247	12055	12825	13734	14426
	94	818	1566	2359	3214	3983	4775	5550	6380	7210	7966	8868	9682	10532	11252	12056	12836	13737	14449
	104	828	1567	2361	3222	3989	4779	5551	6384	7221	7967	8884	9698	10536	11253	12061	12852	13741	14466
	112	845	1576	2366	3233	3996	4784	5552	6389	7237	7971	8894	9705	10537	11257	12063	12856	13744	14476
	118	850	1579	2370	3260	3997	4801	5560	6391	7243	7975	8900	9709	10539	11272	12072	12867	13745	14495
	137	851	1583	2374	3265	4001	4804	5564	6400	7245	7976	8908	9711	10542	11275	12101	12901	13749	14501
	147	857	1590	2394	3269	4002	4812	5584	6402	7249	7978	8917	9716	10551	11277	12109	12918	13754	14504
	149	860	1604	2399	3278	4004	4821	5586	6403	7251	7988	8930	9717	10552	11283	12110	12920	13760	14514
	155	862	1615	2415	3287	4005	4822	5589	6423	7252	7996	8936	9722	10557	11290	12121	12928	13762	14519
	160	865	1628	2432	3293	4007	4823	5604	6431	7253	8000	8951	9723	10559	11312	12124	12933	13780	14537
	174	883	1631	2442	3303	4008	4828	5605	6432	7263	8006	8952	9727	10560	11322	12127	12938	13785	14554
	186	885	1640	2453	3305	4009	4843	5611	6434	7264	8013	8958	9734	10579	11323	12128	12943	13791	14571
	188	896	1644	2460	3309	4012	4868	5621	6442	7266	8017	8960	9735	10581	11327	12137	12947	13802	14572
	191	903	1649	2461	3323	4021	4880	5623	6446	7268	8024	8968	9758	10582	11332	12140	12951	13804	14573
	198	925	1654	2468	3324	4022	4896	5629	6448	7280	8028	8979	9768	10583	11341	12144	12955	13811	14578
	205	930	1657	2470	3341	4027	4900	5636	6461	7287	8036	8982	9769	10588	11343	12156	12957	13814	14589
	215	931	1664	2477	3348	4028	4902	5656	6473	7289	8049	8988	9775	10603	11356	12178	12958	13826	14601
	228	932	1666	2478	3353	4033	4909	5668	6484	7294	8125	8992	9791	10611	11366	12179	12960	13845	14610
	230	943	1670	2501	3356	4035	4913	5681	6493	7298	8154	8996	9794	10617	11370	12182	12980	13850	14613
	237	953	1679	2504	3357	4040	4914	5690	6495	7307	8161	8998	9797	10623	11373	12185	12982	13855	14618
	239	955	1686	2526	3358	4042	4917	5695	6507	7331	8165	9021	9798	10637	11378	12193	12983	13858	14628
	262	957	1688	2536	3369	4044	4926	5699	6510	7336	8171	9038	9815	10628	11385	12204	12984	13883	14641
	280	967	1701	2545	3372	4052	4929	5702	6511	7344	8179	9048	9860	10640	11389	12213	13000	13890	14642
	281	968	1704	2550	3375	4071	4934	5703	6516	7348	8181	9057	9865	10648	11395	12214	13001	13900	14644
	292	984	1721	2552	3386	4079	4935	5707	6531	7353	8185	9060	9904	10651	11405	12216	13009	13906	14651
	294	996	1743	2554	3387	4082	4943	5713	6550	7360	8190	9080	9924	10660	11406	12227	13013	13914	14662
	297	1002	1751	2572	3392	4088	4948	5729	6552	7363	8199	9083	9927	10672	11408	12232	13023	13928	14672
	298	1004	1752	2585	3401	4092	4958	5733	6556	7364	8217	9087	9931	10678	11432	12238	13034	13935	14693
	313	1019	1759	2621	3402	4101	4959	5735	6576	7365	8220	9089	9938	10681	11434	12249	13045	13949	14694
	329	1028	1770	2630	3409	4107	4961	5742	6583	7367	8223	9091	9949	10691	11440	12251	13050	13974	14702
	333	1031	1774	2631	3412	4110	4985	5748	6586	7370	8236	9103	9958	10697	11455	12254	13054	13976	14705
	338	1047	1800	2638	3415	4117	4991	5755	6587	7375	8240	9108	9980	10710	11461	12279	13090	13977	14734
	343	1061	1808	2645	3425	4128	5003	5767	6594	7390	8243	9112	9988	10718	11463	12287	13102	13978	14744
	347	1063	1817	2657	3436	4130	5005	5764	6597	7406	8249	9119	9990	10721	11466	12295	13106	13983	14748
	348	1080	1829	2661	3442	4143	5007	5791	6608	7408	8266	9125	9993	10724	11474	12310	13107	13985	14750
	358	1084	1832	2663	3449	4147	5011	5797	6612	7418	8286	9128	10004	10747	11480	12314	13113	13988	14753
	365	1090	1857	2665	3459	4159	5020	5799	6614	7428	8293	9136	10012	10773	11488	12324	13125	13997	14767
	371	1095	1858	2672	3495	4162	5027	5800	6620	7432	8297	9139	10025	10809	11494	12326	13127	14002	14768
	389	1112	1861	2673	3496	4163	5032	5803	6633	7457	8305	9144	10030	10810	11499	12330	13128	14005	14769
	394	1120	1864	2674	3508	4179	5035	5806	6634	7460	8309	9155	10035	10811	11508	12333	13136	14008	14771
	395	1122	1866	2678	3512	4196	5037	5808	6645	7475	8336	9163	10043	10812	11513	12340	13147	14011	14786
	396	1126	1867	2682	3513	4199	5041	5815	6647	7477	8341	9173	10046	10825	11515	12354	13168	14018	14789
	410	1146	1877	2689	3518	4203	5050	5816	6650	7483	8347	9178	10061	10829	11523	12355	13174	14019	14796
	414	1161	1884	2695	3521	4207	5056	5824	6655	7484	8351	9182	10064	10834	11527	12356	13179	14021	14824
	426	1162	1894	2697	3522	4215	5061	5825	6669	7489	8358	9184	10069	10848	11540	12360	13186	14025	14826
	427	1165	1899	2704	3524	4224	5068	5826	6675	7499	8361	9196	10071	10850	11547	12367	13192	14034	14831
	441	1169	1906	2707	3527	4232	5078	5830	6680	7505	8364	9202	10074	10875	11560	12371	13205	14043	14832
	442	1171	1910	2709	3539	4235	5079	5836	6690	7512	8366	9204	10078	10882	11568	12380	13210	14049	14836
	447	1174	1916	2710	3542	4236	5081	5848	6692	7519	8372	9205	10081	10883	11589	12382	13226	14057	14837
	454	1177	1917	2725	3553	4242	5094	5856	6700	7524	8373	9208	10087	10886	11590	12386	13229	14058	14839
	456	1178	1944	2751	3566	4247	5095	5864	6706	7535	8403	9228	10091	10890	11619	12394	13238	14061	14845
	460	1184	1946	2755	3569	4255	5108	5891	6708	7542	8409	9234	10092	10897	11629	12397	13244	14065	14850
	463	1185	1956	2778	3574	4257	5109	5897	6712	7557	8412	9237	10098	10901	11652	12404	13258	14074	14854
	467	1196	1957	2779	3587	4269	5115	5906	6716	7558	8422	9244	10108	10908	11654	12408	13279	14079	14855
	472	1206	1968	2798	3594	4280	5137	5912	6730	7564	8434	9260	10111	10915	11659	12412	13289	14091	14870
	476	1211	1976	2803	3636	4283	5161	5918	6746	7568	8450	9273	10114	10919	11670	12422	13292	14095	14885
	484	1212	1981	2811	3644	4285	5164	5940	6747	7570	8460	9274	10119	10924	11681	12432	13309	14115	14887
	501	1218	1982	2812	3645	4304	5165	5946	6790	7575	8461	9282	10126	10925	11693	12437	13327	14126	14888
	509	1221	1996	2822	3649	4312	5170	5954	6801	7589	8491	9283	10139	10929	11694	12444	13330	14128	14890
	510	1222	1998	2824	3655	4331	5171	5956	6807	7590	8492	9313	10144	10936	11698	12456	13358	14135	14897
	514	1226	2015	2827	3677	4336	5177	5960	6813	7607	8494	9314	10149	10950	11699	12460	13362	14163	14903
	526	1236	2028	2832	3689	4342	5178	5969	6817	7611	8511	9320	10150	10957	11710	12463	13368	14164	14928
	529	1240	2031	2837	3702	4379	5186	5987	6819	7614	8513	9346	10153	10959	11714	12466	13374	14166	14940
	546	1248	2034	2838	3707	4381	5187	6037	6841	7624	8520	9348	10186	10960	11719	12472	13376	14170	14943
	551	1259	2037	2839	3716	4395	5188	6049	6842	7631	8522	9354	10209	10978	11726	12480	13386	14178	14946
	554	1260	2051	2843	3724	4400	5189	6063	6867	7634	8545	9367	10219	10980	11731	12482	13398	14184	14956
	558	1269	2060	2852	3727	4409	5194	6065	6865	7638	8549	9380	10235	10987	11732	12484	13400	14190	14959
	559	1271	2063	2856	3736	4411	5212	6071	6868	7644	8566	9382	10237	10991	11740	12493	13414	14191	14961
	561	1275	2065	2876	3746	4417	5214	6072	6873	7657	8570	9389	10238	10997	11754	12502	13422	14193	14962
	562	1276	2091	2881	3747	4424	5219	6080	6876	7669	8583	9405	10241	10999	11763	12503	13428	14200	14966
	577	1293	2099	2887	3755	4425	5223	6113	6892	7675	8603	9407	10247	11008	11768	12518	13448	14203	14968
	586	1295	2117	2913	3756	4429	5225	6127	6904	7678	8609	9410	10262	11010	11769	12535	13450	14208	14974
	593	1306	2119	2916	3772	4430	5249	6138	6906	7722	8612	9426	10266	11019	11773	12541	13463	14221	14977
	601	1311	2129	2921	3774	4433	5253	6140	6909	7728	8616	9429	10272	11024	11782	12544	13465	14227	14984
	610	1317	2137	2939	3782	4439	5272	6141	6917	7734	8629	9455	10275	11026	11783	12550	13470	14245	14991
	635	1319	2138	2954	3789	4455	5286	6145	6925	7735	8631	9457	10277	11027	11786	12552	13471	14250	14992
	642	1326	2142	2974	3796	4462	5287	6146	6932	7736	8634	9459	10286	11031	11787	12556	13472	14253	14995
	649	1328	2146	2975	3797	4479	5290	6147	6934	7737	8638	9460	10287	11038	11795	12559	13476	14269	14997
	650	1345	2148	2976	3798	4481	5295	6165	6937	7746	8645	9472	10290	11041	11798	12563	13488	14284	14999
	652	1352	2150	2979	3804	4482	5304	6171	6938	7748	8650	9477	10304	11042	11828	12572	13513	14287	
	655	1359	2155	2981	3811	4488	5312	6179	6946	7758	8652	9485	10309	11043	11831	12580	13529	14289	
	659	1363	2159	3002	3816	4491	5324	6191	6947	7767	8653	9486	10313	11044	11839	12593	13530	14291	
	661	1388	2166	3007	3836	4501	5327	6204	6954	7769	8657	9497	10331	11054	11841	12599	13539	14302	
	664	1416	2169	3015	3838	4507	5328	6210	6968	7772	8666	9516	10338	11055	11858	12609	13547	14305	
	682	1417	2177	3016	3842	4514	5332	6238	6981	7785	8667	9518	10353	11067	11865	12610	13548	14309	
	685	1421	2186	3021	3854	4530	5336	6239	6986	7793	8668	9529	10362	11075	11872	12622	13552	14323	
	687	1425	2188	3027	3859	4547	5338	6263	7001	7802	8675	9537	10381	11090	11880	12624	13554	14324	
	692	1430	2200	3029	3868	4553	5342	6265	7014	7807	8676	9545	10404	11113	11891	12628	13560	14327	
	693	1437	2204	3051	3873	4561	5348	6266	7021	7839	8725	9549	10407	11120	11896	12634	13568	14340	
	696	1441	2207	3055	3878	4564	5351	6274	7023	7848	8729	9551	10409	11124	11897	12639	13579	14343	
	700	1447	2221	3066	3879	4582	5375	6286	7024	7861	8731	9553	10413	11127	11901	12652	13580	14345	
	710	1448	2230	3067	3885	4590	5380	6287	7039	7862	8734	9554	10426	11137	11912	12692	13587	14346	
	714	1449	2238	3069	3886	4592	5400	6289	7055	7864	8736	9563	10428	11141	11918	12696	13608	14352	

The Debentures specified above are to be redeemed for the Sinking Fund (a) at the W. C. G.—Agency Services Department of First National City Bank, Trustee under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of First National City Bank in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, and First National City Bank (Belgium) S.A., and Banque Internationale à Luxembourg in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City on March 15, 1976, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of such Debentures with all coupons appertaining thereto maturing after the date fixed for redemption, payment will be made at the said redemption price out of funds to be deposited with the Trustee.

Coupons due March 15, 1976 should be detached and presented for payment in the usual manner.

Beatrice Foods Overseas Finance N.V.

By: FIRST NATIONAL CITY BANK, as Trustee

February 11, 1976

LABOUR NEWS

AUEW to give Stage Two its first big test

ROY ROGERS, LABOUR CORRESPONDENT

FIRST major test for the tage of the Government's licy, which has still to be ed, let alone agreed, with JC, will come at the May conference of the Amal- d Union of Engineering rs.

wingers on the 52-man ering section national tee have tabled a motion ling the restoration of llective bargaining when sent voluntary £6 a week expires on August 1.

also want the AUEW to e TUC to put pressure on vernment to comply with ial contract commitment mise unemployment.

Left's chances of winning e motions have increased lections to the 52-man ich appear to have wiped Right's slender majority it finely balanced.

pressure will be put on r delegates who are not to be firmly committed lly and it will not be e crucial votes are taken that either side can be sure of success.

Moderates on the committee appear likely to press for substantial pay increases payable when "legislation permits" but this further support for the Government-TUC could be jeopardised by moderates from the Coventry area who may link their support to assurances that craftsmen's pay differentials are not eroded further by another flat rate policy.

There may yet be moves to have the pay issue deferred until the full conference of the Amalgamated Union, embracing all four sections, engineering, foundry, construction and technical and supervisory (TASS) the following week, a situation which would be to the Left's advantage.

The fate of the union's shaky amalgamation will itself also be a major item on the national committee agenda. All sides feel that the time has come to move on to ful lamalgamation, opposed to the present loose federation, or give up the merger attempt.

Gas supplies threatened to-day in North West and Midlands

BY CHRISTIAN TYLER, LABOUR STAFF

GAS SUPPLIES in the North-West of England and in the Sheffield and Nottingham areas will be disrupted to-day when 7,000 white-collar workers go on strike, their union claimed yesterday.

The one day walk-out by members of the National and Local Government Officers Association is in support of nearly 200 staff whom NALGO claims have been "locked out" in a dispute about productivity pay held up by the Government's £6 a week pay policy.

The union is refusing to cooperate in retraining of manual workers who concluded a productivity agreement with the Gas Corporation before the pay policy was introduced last July.

Yesterday 69 manual worker delegates of the General and Municipal Workers Union met in London and decided to instruct the 50,000 manual workers to continue working normally. This is despite the the fact that NALGO's non-cooperation is holding up payments to the manual workers of up to £5 a week dating back to last April.

The GMWU members are to continue to press the Corporation to honour the training programme dates for back pay purposes even though the scheme has been considerably delayed in many areas.

Meanwhile the Corporation yesterday said it "deplored" the NALGO action. It hoped supervisors would take a "responsible attitude" and prevent any interruption to supplies.

"This is not a lock-out. Those who have refused to carry out their normal duties have been sent home. Negotiations at national level have not broken down," a spokesman said.

NALGO, representing a majority of the 60,000 staff in the industry, claims the Corporation refuses to commit itself in principle to paying new rates for the white-collar productivity scheme when the pay policy allows. The Corporation denied this was the position. NALGO had been made an offer and had rejected it on the day the pay policy was announced.

About 5,500 gas white-collar staff will be on strike in Liverpool, Manchester, Stockport, Altrincham, St. Helens, Warrington, Blackpool Burnley, Bolton and Bury to-day, NALGO said, and another 1,400 in Sheffield and Nottingham.

The GMWU's claim for the back payments will be discussed with the Gas Corporation next week. No further meeting has been arranged between NALGO and the Corporation.

Government bid to save rig-builders

By Our Labour Correspondent

THE GOVERNMENT is to set up a tripartite committee, chaired by Mr. John Smith, Energy Minister of State, in an urgent bid to prevent the break-up of key oil rig production teams at construction yards in the North-East and Scotland.

The TUC, the Scottish TUC and the employers, the U.K. Offshore Operators' Association, are being asked to nominate one or two people to sit on this body, which will have the task of finding work for the two threatened yards.

At Laing Offshore's yard at Hartlepool the 1,300 workers are completing their only outstanding order, a platform for Burmah Oil Developments' Thistle Field. This is due for completion in July.

In Fife the 850 workers at Redpath Dorman Long North Sea's Methil yard are completing a platform for use by Shell-Esso in the Brent Field.

With no new platform orders envisaged until later in the summer, when there may still not be enough to go round all the construction sites, the proposed tripartite body appears to have an almost impossible task. This has led some in the industry to suggest that it might end as merely a "talking shop."

Pilots gain £2,800 for flying Concorde

BY CHRISTIAN TYLER, LABOUR STAFF

ANOTHER eight British Airways pilots are to start training next week for Concorde flights. They are to be paid an extra £2,800 a year for the work, like the seven pilots already operating the London-Bahrain service.

The eight will include the first batch of "rank-and-file" pilots to be given Concorde work. The present seven are senior management and instructor pilots on special salaries ranging up to £20,000 a year.

The Government has given tacit permission for the new batch of Concorde pilots to get the £54-a-week supplement, since this continues an "understanding" reached with the British Airline Pilots' Association at the development flight stage of Concorde well before the pay limit was introduced.

This supplement will apparently be paid even though the pilots chosen are almost certainly already earning more than £8,500 a year — the cut-off in the present pay policy beyond which no rises of any kind are supposed to be paid.

The pilots will be needed in the first instance for supersonic flights to Dulles Airport, outside Washington DC, to which British Airways hopes to start a service in May.

Despite optimistic forecasts by the airline, no agreement has been reached with the pilots' association on terms and conditions for flying Concorde — nor is one likely to be agreed before the shape of the pay policy's second stage is known, when there may be more latitude for high earners and "new work."

The pilots' general salary agreeement expires at the end of next month. Only the most junior will be eligible for £6-a-week pay rises then, again because of the pay policy restrictions on high earners.

Airport workers accept

SOME 200 manual workers at Glasgow airport have accepted a lump sum payment from the British Airports Authority which allows a £6 pay settlement for 5,000 Authority employees throughout the country to go ahead.

The lump sum payment, which averages £300 for each of the 200 workers, enables the Authority to "buy out" higher differentials in pay — ranging from £8 to £20 a week — which the Glasgow workers retained when the airport was transferred from the local authority last year.

The Airports Authority had previously offered the full £6 supplement allowed under Government policy to the bulk of its manual workers on condition that the Glasgow employees accepted its lump sum offer instead. Now that the offer has been accepted, the pay settlement will be back-dated to January 1.

Union hits Sunday trade

THE UNION of Shop, Distributive and Allied Workers has come out strongly against extension of Sunday Trading, and stresses that it "will fight any moves to change the law which prohibits most kinds of shopping on the Sabbath in England and Wales." The union will also discourage any extension in Scotland, where it says the laws offer less protection to shop workers in this respect.

USDAW has traditionally campaigned to let shopworkers enjoy a five-day week staggered over six or five-and-a-half days' trading.

It believes that a so-called "freedom" for any retailer to open on Sundays would create competitive conditions leading to general shop opening in whole areas of business — "much to the detriment of the family and social life of managers and shop staff."

Mr. John Phillips, USDAW assistant general secretary, says in this month's union journal DAWN that the union is opposed to any extension of Sunday trading beyond what is allowed under the 1950 Shops Act

On the "current menace of illegal Sunday markets" Mr. Phillips states: "We are faced with people owning a bit of land, like an under-used sports ground or a disused aerodrome, which they can let as a site for a Sunday market. If these activities were allowed to go on unchecked then legitimate retailers would want to do a bit of business on Sunday too."

He claims that USDAW has met with considerable success in stopping such unlawful operations.

Dock Bill attacked by importers

OUR LABOUR STAFF

R CENT. rise in import d "gross" over-manning docks will result if the d Dock Work Regulation comes law, the British rs' Confederation warned y.

onfederation, which represents more than 3,500 importers us industries, has prepared report for MPs in the debate in which it claims Bill is a "recipe for ng port costs and fer- labour unrest through- proposed five-mile dock

ns that Continental ports aring for a "substantial" increase in use of their facilities as trade is transferred to these ports, which are claimed to have higher productivity.

The confederation also suggests that if the 400 small private wharfs in Britian are brought within the proposed scheme, it would mean an increase in the workforce for these wharfs.

Further opposition to the Bill came yesterday from Aims for Freedom and Enterprise which accused Mr. Michael Foot, Employment Secretary, of taking "grave risks with the nation's vital supplies of food and raw materials."

Joint Boards 'should be created by law'

BOARDS SHOULD BE ISORY Boards with the veto management deci- ould be created by law ve increased worker par- n in industry, accord- e Confederation of Em- Organisations, which rts a number of unions ff associations not affi- h the TUC.

pervisory Boards, which pply to all companies or more employees, ve equal representation yees and shareholders -ranging responsibility general interest of the ty."

submission to the ommittee on industrial y, to whom written evi- st be given by March nfederation is also in f creating "employee at shop floor level uncils, elected by all nd not just trade union would then elect the ry Board representa-

mployer "unreasonably he introduction of these councils, then employees should refer the issue to the Advisory, Conciliation and Arbitration Service.

The Confederation, which plans to debate the issue of industrial democracy at its annual conference in May, is doubtful whether the Bullock committee will produce a "democratic solution" to the problem but rather a "highly exclusive and narrow" solution which favours the traditional trade union movement.

In its evidence, the Confederation claims that the TUC proposals on industrial democracy "seem to require more power to be given to TUC leadership," while its own proposals would mainly concentrate on individual companies.

Introducing industrial democracy into Britain might cause considerable problems, the Confederation believes, because there has been little preparation on all sides of industry. Thus it feels that the introductory legislation should include provision for training and educating employees about the industrial democracy structure.

PARLIAMENT

DOCK SCHEME ASSURANCES FOR WORRIED MPs

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

"Scaremongering nonsense" was how Mr. Michael Foot, Employment Secretary, heatedly described in the Commons yesterday the contentions that his controversial Bill to extend the rights of dockers would take away the jobs of other workers.

Setting himself to allay the anxieties on behalf of other workers, evident particularly on the Labour backbenches, during the second reading debate on the Bill, Mr. Foot emphasised his willingness to introduce further safeguards and clarifications.

If these were necessary, they could be brought forward as amendments on the committee stage, he maintained.

But Labour MPs wanted him to spell out much more specifically what jobs and industries would be excluded from the dock labour scheme.

Mr. Foot, in between passionate denunciations of previous Tory Governments for what he plainly considered was almost a criminal attitude towards the conditions for dock work, gave some specific exclusions.

Among the jobs which would "most certainly not" be classified as dock work under the Bill, would be: Long-established warehousing, storage, packaging and cold storage operations, which were not related to work directly transferred from the docks and which were not connected with port operations.

It was an assurance that these jobs would not be at risk.

Maintenance and other port service grades such as dock gate men, who had no direct relationship with cargo handling, were also excluded from the Bill.

With the division at the end of the debate very much in mind and the need for the Government to muster all possible support, Mr. Foot insisted that all the unions which might be concerned with the outcome of the legislation had been consulted. And they were satisfied that the Bill was satisfactory.

It was the Tories, it seemed, who were bent on raising unwarranted alarms about the effects of the Bill.

Mr. James Prior, "shadow" Employment Secretary, cocking an eyebrow at the Minister's vehemence, suggested that if Mr. Foot's protestations that dockers were not going to take over the work done by others, then the dockers were being "conned"—because additional work was what they expected from the Bill.

On the other hand, if the dockers expectations of the Bill were to be fulfilled, then it was the other workers about to lose jobs who were being "conned." In fact, Mr. Prior contended, Mr. Foot's efforts would do nothing except destroy jobs.

Wilson attacks 'nauseating' Press reports

THE PRIME Minister yesterday attacked some national newspapers for their "nauseating" treatment of a "classic innuendo" against an MP and "democracy as a whole."

Apparently referring to Press reports involving Mr. Jeremy Thorpe, the Liberal leader, Mr. Phillip Whitehead (Lab., Derby N) asked Mr. Wilson to "communicate to the Press the distaste of all parties at the sustained campaign of innuendo in the national Press over the last fortnight, based on an accusation made under qualified privilege in the courts.

"Would you agree that it is dangerously close to the total misuse of the so-called public right to know?" he demanded.

Mr. Wilson replied: "I entirely agree with you. What I think is particularly nauseating is the sanctimonious spirit in which this has been done, and the spectacle of supposedly bankrupt newspapers, holding out their hands for public money, wasting money in what is a classic innuendo against an MP, and, in my view, against democracy as a whole."

No farmland takeover–PM

A FIRM DENIAL that the Government intends to nationalise farmland was given by Mr. Harold Wilson, Prime Minister, in the Commons yesterday.

"The policy of the Government has been clearly stated in the Queen's Speeches since the election and in our manifesto. Such a proposal is not in the Government's policy at all," he said.

Strikes could have been avoided, says Foot

THE NEW dock labour scheme ha never been intended to infringe the rights of other trade unions, Mr. Michael Foot, Employment Secretary, told the Commons yesterday.

He defended the Dock Work Regulation Bill as "a constructive measure for dealing with a problem which it is impossible for this House or the country to shirk."

Mr. Foot said that if the former Conservative Government had faced these matters in 1970, then the dock strikes of 1970, 1972 and 1975 could have been avoided. "Nobody in the face of the evidence has the slightest ground for saying that it is not right for us to consider going ahead with legislation to deal with this subject."

Mr. Eric Heffer (Lab. Walton), intervened: "There is something which concerns many workers who are not members of the TGWU but who are members of other trade unions and are likely to be engulfed in the scheme.

"I am totally in favour but I feel that those other long-standing members of trade unions must be given an assurance that they will not be taken over or in any way engulfed in unions to which they do not wish to belong."

Mr. Foot replied: "I entirely agree. I have never in approaching this Bill had any different attitude about it. I have never believed that there has ever been any intention of infringing the rights of other trade unions."

Mr. Tom Torney (Lab. Bradford S.) said: "Will you tell me the position when workers leave a warehouse, within five miles radius of the docks, who are not TGWU members? Will they have to be replaced by registered dockers and does it mean that unions like my own, USDAW, would ultimately be wiped out of this category where it has been for many years?"

Mr. Foot said: "I do not accept that. . . . This is precisely the same question which has been raised in the discussions we have had following publication of our consultative document. The purpose of the consultative document was that we should be able to settle these matters and I am convinced we will be perfectly satisfied with the solution."

Mr. Foot said that in spite of detailed procedures and safeguards proposed, there were still considerable anxieties in some quarters about the practical effect of the changes made by the Bill.

He said: "I emphasise again that it is the actual individual application of the scheme which is the significant procedure."

Under the 1946 Act, a labour scheme could be made to regulate the employment of a "dock worker." This was defined as "a person employed or to be employed in, or in the vicinity of, a port on work in connection with the loading, unloading, movement or storage of cargoes, or work in connection with the preparation of ships or other vessels for the receipt or discharge of cargoes or for leaving port."

Mr. Foot said the schemes were not made to cover many occupations and situations because all concerned were satisfied that statutory control was inappropriate. "The Bill has the same intention. Long-established warehousing, storage, packaging and cold storage operations, which are not related to work directly transferred from the docks and which are not connected with port operations, would most certainly not be classified as dock work and therefore subject to the new scheme."

He added that maintenance and other port service grades such as dock gatemen who had no direct relationship with cargo handling were excluded from the Bill.

Mr. Foot said the Bill provided safeguards for those employed on work which was classified as dock work. Men would first be placed on an "extension register" and would retain all their existing statutory employment protection, including the right not to be unfairly dismissed.

After a period, which would vary from case to case, they would go on to the "main register" and become fully registered dock workers.

He reminded the House that last year the Government said it intended to safeguard employment in the docks. "All the unions concerned have accepted that the Bill satisfactorily implements that intention."

The alternative, he said, would have been to set up an inquiry. "It is no good anyone coming along now and saying the way to solve the problem is to have another inquiry. The Government has made up its mind."

Answering criticism from Mr. John Stonehouse (Lab., Walsall N.) that he had said nothing in his speech about the cost of the Bill to the consumer, Mr. Foot said: "I do not accept the wild accusations that have been spread in many quarters about great additions to the cost. It is a lot of scare-mongering nonsense."

It could only be so if dockers' conditions were better than those of other workers but this was not the case.

In his speech, Mr. Foot said: "It would be helpful if many of the editors of the great newspapers paid a little more attention to their own industrial correspondents. They might be better informed of what is happening in industry generally."

He added: "Wild exaggeration and misconceptions have been spread by editors of most newspapers in discussing the Bill in recent months."

Your anti-social contract, Prior tells Minister

MR. JAMES PRIOR, for the Opposition said that Mr. Foot had "made a certain amount of play to Labour MPs about what actually is a cargo-handling area and what will be affected by the passage of this Bill.

"If, in fact, all these warehouses and cold stores are excluded from the Bill, then there is no purpose at all in having the Bill, because it will not achieve what the dockers want." The dockers wanted extra jobs.

If Mr. Foot did not intend to write into the Bill the proper safeguard, Labour MPs were asking, "then they are being conned and so are many people in the warehousing and could storage industries."

Mr. Prior knew of no Bill which had aroused more anger. "There is opposition within the unions and within the Labour Party and it is opposed by every single other interest concerned with industry or commerce in this country."

Referring to the Government's delay in bringing the Bill forward for its second reading, Mr. Prior: "We have heard about the nods and winks and negotiations behind the scenes to get MPs into the lobby."

He accused Mr. Foot: "This is a disreputable way of handling the Bill and for an MP who claims to be a great Parliamentarian, you have fallen sadly down on your responsibilities."

Mr. Prior said the concept of absolute registration for dockers was "quite clearly out of date." It was bound to lead to trouble to continue it and had already been a source of discontent.

"At best, the Bill would provide a temporary respite from the inexorable pressures dockers are facing. But the bitterness they will feel when they know they have been conned makes it all the more important not to proceed with the Bill now."

Mr. Prior called for an impartial inquiry. The Opposition's fundamental objection was to the concept of registration for dock rwork and to the extension of the docks scheme, which htey felt was wrong in present circumstances.

He pointed out that there would be some dockers who had left the register compensated at great expense, and gone into the cold stores or warehouses. With the new definition of dock work, they would come back on the register.

Conflict and strife were bound to be inherent in that situation. MPs knew the objective of dockers—whether "white" stevedores union members or "blue" TGWU members—and that was to take away the work of employees in firms now outside the scheme. The scheme would not bring peace to the docks. "It could bring an outbreak of war such as we had this time last year, which was very much a case of dockers trying to push their way into container depots, cold stores and so on."

It was bad enough to extend the dock labour scheme but it was worse to take over ports which was not what the dockers there or anyone else connected with the ports required.

Mr. Prior continued: "The right way to settle the matter would be a freeze of the register to work out ne wschemes which would be selective and would remove the strife from dockland."

"I do not believe these measures will bring peace to dockland and all that Mr. Foot is doing by an extension of the register, is to fan the dying embers of a scheme which has outlived its usefulness."

"The Bill is part of the price of the social contract. It is the Minister's anti-social contract."

"There is no peace in this Bill, just trouble and disillusionment, added costs for us all to bear, one more way of dragging our nation down." The Government deserves to be defeated to-night. Pray God it gets its deserts."

Angola: Wils[on] seeks 'private army' controls

BY PHILIP RAWSTORNE

AN URGENT inquiry into possible legal controls over the recruitment of British mercenaries was announced in the Commons yesterday by Mr. Harold Wilson.

The Angolan affair had shown that a group of "small-time crooks" had been able to raise a private army in a way that could be a threat to democracy in this country, he said.

Lord Diplock, chairman of the Security Commission, is to head the inquiry committee. Its other members will be two senior Commons backbenchers, Sir Geoffrey de Freitas, Labour MP for Kettering, and Sir Derek Walker-Smith, Tory MP for Herts East.

The committee will consider the need for legislation, including amendment of the Foreign Enlistment Act last invoked in the 1896 Jameson Raid, to control recruitment.

Mr. Wilson said that the speed and facility of the organised recruitment of mercenaries for Angola had caused deep concern. "The potential dangers . . . are apparent but the proper form of control is not easily defined—and the existing law on the many complex issues involved is unsatisfactory."

Promising Labour MPs that the Government would do everything it could to prevent further mercenaries being sent to Angola, the Prime Minister said that 44 who had returned yesterday were being questioned by the police about the reported execution of 14 British recruits.

"There can now be little doubt that an atrocity took place," he said.

Mrs. Margaret Thatcher, rousing Labour MPs to angry protests, reacted critically to the Government's move. There would have to be an objective legal test of any recruitment, she said. "British citizens have fought overseas for many different causes—'Not for money,' shouted Labour backbenchers'—and any Act of this ki[nd] be operated according [to whether] the Government appro[ves or dis]approves of the cause.

The Prime Minister [said:] "We have a situation [in which] small-time crooks—th[at is what] they are, with rec[ords]—become possessed of [large sums] of money . . . and getting access to lists [of] soldiers, including SA[S ...] rest, and signing them [up ...] which the whole Ho[use must] regard as absolutely a[...]

"We must face the [fact that a] small group of people [with a criminal] background have be[en able to] raise a private army. [It] could be a threat to [democracy] in this country."

Replying to Mr. Ju[lian Amery] (C. Brighton Pavi[lion]) [who] suggested that a ba[n on volun]teers for Angola was [tantamount] to becoming accompl[ices of the] Cuban and Soviet [...] Mr. Wilson declare[d ...] talking about merc[enaries not] volunteers."

It would have mad[e no differ]ence to the Governm[ent] if the mercenaries [had been] recruited for the [...] forces, he said.

Mr. Andrew Fauk[s ...] Arab Labour MP [...] East, also question[ed ...] the Prime Minister [...] in stopping men goi[ng ...] while at the same ti[me ...] a rallying cry for [recruit]ment of Israeli for[ces].

"We fully unde[rstand the] stand you take," [said Mr.] Wilson "and he gets [it] as well" commented [Mr. Dennis] Skinner (Lab. Bolso[ver) caus]ing a furious row i[n the House. The] Speaker, Mr. Geor[ge Thomas,] repeatedly called [on him to] withdraw the remark[.]

"It's a total blood[y lie and he] knows it," Mr. Fauk[s shouted] angrily before th[e Speaker] accepted as an apolo[gy Mr. Skin]ner's explanation t[hat he had] been referring to foreign visits by MP[s].

Hailsham indicat[es] renewed bid to change union Bil[l]

BY JOHN HUNT

THE GOVERNMENT'S controversial Trade Union and Labour Relations (Amendment) Bill was given an unopposed second reading in the Lords last night after Lord Shepherd, Leader of the House, warned that it would create a bitter conflict with the Commons if the Peers rejected it yet again.

The Bill has now returned to the Upper House after being blocked by Opposition Peers last year, in defiance of the Commons. If the Lords oppose the Bill again, the Government intends to invoke the Parliament Act to make sure that it will be on the Statute Book by the end of the session.

Although the Conservatives did not vote against the legislation last night, Lord Hailsham, from the Tory front bench, warned that they would attempt to amend it in committee.

The Conservatives will press an amendment giving a worker a legal right to compensation in cases where he is dismissed from his job for refusing to join a union on the grounds of conscience.

Absent

It is understood that the Opposition intends to concentrate on this issue in committee in the hope of getting a concession from the Government.

Conservative Peers have not yet decided whether they will go so far as defying the Commons yet again, by returning the Bill to them with an amendment attached on the conscience issue. Their tactics will depend on the reaction of the Government in committee.

On the question of Press freedom, which was the main issue when the Bill was amended by the Lords last year, all the indications are that there will be no further Parliamentary battles.

The Lord Haughton amendment, establishing a voluntary charter on Press freedom, has been passed by the Commons for a second time and will be discussed by the Peers during the committee stage in the Upper House.

Lord Goodman, the Independent peer who is chairman of the Newspaper Publishers Association, was absent through illness yesterday. There was no indication whether he intends to reintroduce his amendment for a charter with legal backing during the committee stage.

However, it became apparent that even if he does so, it would not have the support of the Conservatives. Lord Wi[...] Liberals, suggeste[d that the] Goodman amendme[nt be] re-inserted and se[nt back to] the Bill to the Comm[ons] to give the Gov[ernment an] opportunity for fu[rther consul]tations on the issue[.]

But Lord Hailsh[am did not] favour this idea a[nd made it] plain that the Torie[s would con]centrate their fire [on the con]science clause. He a[...] that the Conservativ[es would not] be attempting to bl[ock the opera]tion of the Bill wh[...] the right of workers [to go to] an industrial tribu[nal over] arbitrary or unreaso[nable expul]sion from a union.

Lord Drogheda, w[ho was] sponsor of the Good[man amend]ment, told the Hous[e that Lord] Goodman hoped to [be back] for the committee st[age and] that he found Lor[d ...] proposal for sendin[g the Good]man amendment b[ack to the] Commons "most help[ful and con]structive."

However, Lord Sh[epherd said] that the Governmen[t was pre]pared to make chang[es at a later] date should it prov[e that the] Bill, once enacted, re[stricted the] freedom of the Pre[ss.]

He also offered to [meet Lord] Goodman for further [talks] but emphasised that [he did not] think it possible to [bridge the] gap between him [and the] Government.

It was the Governm[ent's aim,] he said, to obtain th[e Bill with]out the use of the [Parliament] Act. On the questio[n of a con]science clause for th[ose who did] not wish to be a m[ember of a] union, he reminded [Peers that] there had already b[een dif]ferent drafts on th[is issue] during the earlier st[ages of the] Bill.

Bedside

"If it were possi[ble to write] conscience into this B[ill we would] do so," he declared. "[But the] advice received is th[at it is im]possible to define co[nscience in] such a way that it w[ould not be] used in a disrupti[ve way] within unions and [between] unions. The experienc[e of the] tribunals who have b[een asked to con]sider the question of [conscience] is that they have had [to rely] on religious belief."

On the freedom of [the Press,] he said there was litt[le between] the Government and [Lord Good]man but it was very [...] He went on: "I am willing [to continue] discussions. I am willi[ng to go to] the bedside of Lord G[oodman to] bridge this gap. Bu[t I do not] believe it is possible."

Liberals join attack

LIBERAL employment spokesman Mr. Cyril Smith (Rochdale) described it as a rotten divisive Bill which did not merely divide different unions, but divided people within the same union.

"It is no use the Minister pretending that all trade unionists are united behind it because they are not. If this legislation proceeds, it will only lead to higher dock levies, more unemployment, greater bureaucracy, and lack of security for thousands of workers."

Mr. Smith claimed that leaders of some unions affected were ignoring the views of their rank and file. "There are very deep and genuine fears among thousands of ordinary, decent workers, loyal trade unionists for the continuation of their job under this scheme.

"This Bill is a gross irrelevance in present economic circumstances. It is a belated Christmas present for Mr. Jack Jones." It should be put where it belonged—" the waste-paper basket."

Mr. Hugh Delargy (Lab., Thurrock), said: "Opposition against this Bill is not merely opposition against the Government. It is opposition against dockers." He had not heard one valid or convincing argument against the Bill.

Mr. Kenneth Baker (C., St. Marylebone) who hoped the Bill would not receive a second reading, warned: "If it does, then we are taking one more step towards a museum economy."

Britain's docks were "a classically declining industry" compared with what was happening in the industry on the Continent.

Tories pursue Mason on Soviet build-up

BY OUR OWN CORRESPONDENT

MR. ROY MASON, Secretary for Defence, came under heavy fire from the Conservative benches in the Commons yesterday for his attack on the speech made by Mrs. Margaret Thatcher, the Opposition leader, warning of the danger to the West from the massive build-up of military and naval power by Russia and her satellites.

In the course of a series of sharp exchanges, he explained that he had not been taking the side of the Soviet Union against Mrs. Thatcher but seeking to ensure that the prospects for progress with detente were not prejudiced.

It had to be recognised, he said, that the Soviet Union was really "on test" on the final act of the Helsinki agreement.

But he failed to satisfy the Opposition and Mr. Ian Gilmour, "shadow" Defence Minister declared: "Your silly little statement attacking Mrs. Thatcher demeaned both yourself and your office."

Backed by Conservative cheers, he urged the Minister to give an assurance that in future "you will be less worried about whether or not the Russians are annoyed and more concerned about the state of Britain's defences."

Mr. Mason retorted that he had made no defence of the Soviet Union but insisted that the order of the day should be "patience, diligence and negotiation armed with sufficient security to talk from strength."

He also stressed the importance of the latest round of negotiations on mutually balanced force reductions which it was hoped would lead to a reduction in the tank armies of the Warsaw Pact countries

In a counter-blast which won cheers from the Government benches, Mr. Mason maintained that it was important to make clear that, whatever some Conservative MPs might say, Britain could not "go it alone" again in defence. "Those days of Suez have gone. The Suez dreamers on the Opposition benches, with their reactionary dogma, who are trying to make their party move too far to the right are not doing defence a service, but a disservice."

Mr. Mason again highlighted the fact that, in terms of gross national product, Britain makes a higher contribution to NATO than any of her Western European allies and said he was satisfied that the new economies in the defence budget would not prejudice the effectiveness of Britain's contribution to the alliance.

New peer

LORD SCHON, formerly Sir Frank Schon, chairman of the National Research Development Corporation, was introduced in the Lords yesterday.

PM denies Rolls-Royce row

AN ALLEGATION by a Tory backbencher that there had been a row between Lord Ryder, chairman of the National Enterprise Board, and Sir Kenneth Keith, chairman of Rolls-Royce (1971), was rejected by Mr. Harold Wilson, Prime Minister, in the Commons yesterday.

Referring to newspaper reports that Lord Ryder and Sir Kenneth were in dispute over who ran the State-owned company, Mr. Norman Tebbit (C. Chingford) urged Mr. Wilson to appoint an industrial relations expert to the Government's "Think-tank" to sort out this "steaming row."

Mr. Tebbit claimed that the row was over Lord Ryder's "arrogant interference in the day-to-day running of Rolls-Royce."

Mr. Wilson said that the comment indicated Mr. Tebbit's and the Opposition front bench's ignorance about the reasons for setting up the "Think tank."

"I totally reject what you have said about Lord Ryder in relation to Sir Kenneth Keith," the Prime Minister added.

Profits up at SIP

By John Wicks

ZURICH, Feb. 10.

PROFITS OF THE Pirelli group company Societe Internationale Pirelli Holding SA, of Basle, were "on the whole better" last year than in 1974, according to a company communique. Turnover of companies controlled by the Basle holding concern, however, declined by some 11 per cent. over the year to SW.Fr.2.85bn.

The communique reports that the Dunlop companies in which Pirelli holding has a participation showed satisfactory results, in the same order as for the previous year.

Todd detention 'frustrating'

LORD BYERS, Liberal leader in the Lords, told Peers yesterday, that he felt "totally frustrated" about the detention of Rhodesia's ex-Prime Minister, Mr. Garfield Todd, now on a temporary visit to London.

He asked Lord Goronwy-Roberts, Minister of State, Foreign Office, "is there nothing more we can do?"

Lord Goronwy-Roberts said the situation was exceptionally difficult but this did not detract from the fact that it was an intolerable one.

Pay survey published

EARNINGS for manual and white-collar workers in 1975 on an industry basis are given in the latest part of the Department of Employment's earnings survey.

Part C, "Analyses by Industry," of the survey is available from HMSO, price 80p.

BSC staff cut plans

BY OUR LABOUR CORRESPONDENT

THE BRITISH STEEL Corporation's Teesside division plans to reduce its workers by about 3,200 over the next two years as part of its overall move to reduce costs by £170m. a year.

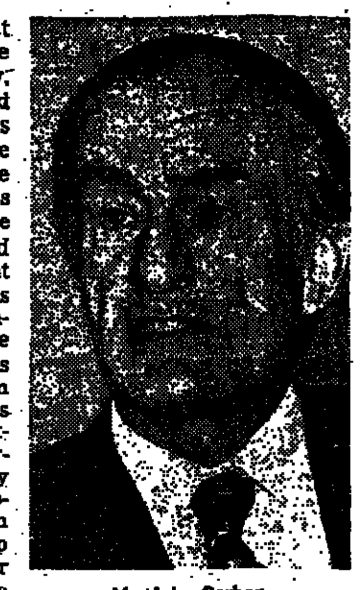
This planned reduction, revealed yesterday, is inaddition to previously announced proposals to shed 3,000 jobs in association with plant closures. But BSC hopes any further manpower reductions will be offset by job opportunities linked to the development of t[he] plant.

Local talks are alre[ady under] way between the union[s and BSC] on these proposals. [BSC main]tains that given co-op[eration in re]structuring jobs and o[n mobility] and flexibility of labour[, it should] be possible to realise t[he reduc]tions through voluntar[y redund]ancy, early retirem[ent and] natural wastage, "wit[hout] recourse to other re[dundancy] measures."

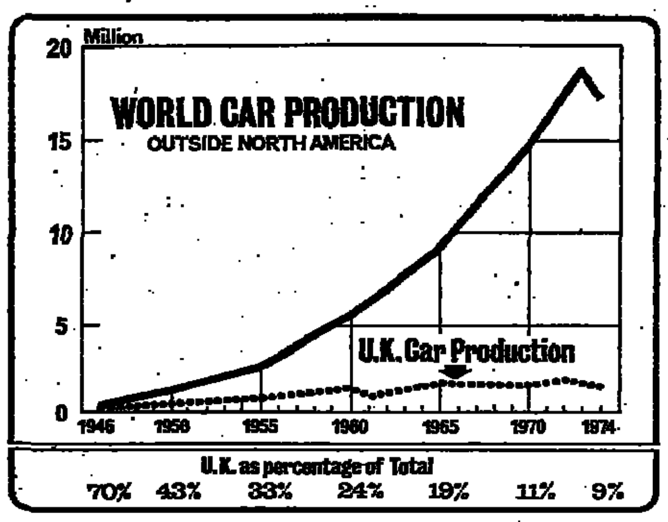
The Executive's World

The Commons debate on the motor industry is due to-day. **John Barber,** formerly No. 2 at British Leyland, argues that without the right products the investment will be wasted.

Customers must come first



Mr. John Barber



: HAVE NO God-given right ı car industry and, with the occupation over jobs, pay, ɔt locations, investment and ticipation, the simple fact is ıetimes forgotten that none hese would exist without the tomer. In all the thousands words written about the ɔish car industry the word ıstomer" hardly appears at Forecast total demand has n analysed but no considera- ı has been given to the cise customer requirements ch the British industry can t satisfy. The main reasons the industry's low profit- ity and consequent under- ɛstment have been not only obvious production prob- s but also the failure, with ıble exceptions, to develop right products—right for customer and also ɛrently profitable.

he art of the game, now e crucial than ever, is not ɛttempt to cover the water- t but to develop cars in ors of the market which the best volume/cost/price tionship for the talents of particular company. To : a car at a similar price, ification and quality to a petitive model produced in iderably higher volume t mean lower profit.

ɔmething different has to be ɪd, perhaps a slightly more ɛnsive car where the extra e is more than the extra or a car so different in ification, like the original in 1959, that its unique- can command a better ɛ. Unfortunately the revo- ɪnary concept of the Mini underrated, the initial price set too low and a big profit ɔrtunity was missed.

lthough Britain is still ɪg in sports cars and expen- luxury saloons, these are tively small sectors and a essful national industry ıs strength in the market saloon cars. Roughly, these de into volume cars which end on economies of scale provide the maximum value money and specialist cars duced at lower volumes with ıter refinement and nium prices.

he recent report by the tral Policy Review Staff con- led that, to avoid serious petitive disadvantage, the imum production capacity a single volume car model 250,000 a year and, above reductions in cost of pro- ion rapidly diminished. re are nevertheless still economies in manufacture, ever small, at higher levels also savings in unit costs of lopment, toolings, purchas- marketing and administra-

ıe volume car manufac- rs outside North America considerably in strength, five in a position to bene- ıost from economies of scale yota, Datsun and Volks- en (each capable of pro- ıg over 2m. vehicles a year high volume per model) GM and Ford (with high d-wide volumes outside h America and the added ıgth of the U.S. parent com- es). The next three—Fiat, ult and Peugeot with en—each has an annual city of over 1½m. and then, eciably smaller, BL at ıd 1m. and Chrysler with t 600,000 in France, 300,000 ıe U.K. and smaller plants here.

n years ago Ford U.S. n a full integration of its pean business to achieve economies of scale and a strength of management impossible with separate operations in Britain, Germany and other European countries. The establishment of a single Ford of Europe Inc. has provided the volume and the resources to compete successfully with the highest volume producers and Ford operations in Britain, as part of it, benefit accordingly.

From the days of the separate British company under Sir Patrick Hennessy, Ford has had a good record of identifying its market and developing the right cars. With a background of mass production expertise it has opted for value-for-money orthodox cars, rather than technical innovation, and has anticipated customers' requirements in this chosen area.

Examples

Good examples of this approach were the modern Anglia introduced in 1959 and the original Cortina. By strictly limiting the number of basic models and the engines, transmissions, axles and other components used in them, maximum economies of scale in development, production and marketing have been achieved. Even when the Fiesta small car is in production the Ford range will still consist of only four basic saloon modes (Fiesta Escort, Cortina, Granada) sharing a number of common components, plus a coupe (Capri) using many of the saloon components.

Vauxhall, surprisingly for a General Motors company, has had more downs than ups with its products but the move towards rationalisation with the well-engineered Opel range and GM's world car concept could change Vauxhall's prospects dramatically. The Chevette and Cavalier show the influence of the product-oriented Opel management and obviously have more potential than most previous Vauxhall models. Provided that there is sufficient product and production rationalisation with Opel and other GM operations in Europe, Vauxhall should now be in a position to recover.

Chrysler U.K., for reasons difficult to understand, has in the past chosen not only to compete directly with the higher volume models of much larger manufacturers, but also to fight them on price. It is hard to think of a more certain way to lose money. With three distinct model ranges (Imp, Avenger, Hunter) produced within a total capacity of 300,000 cars a year the competitive disadvantage in the volume car market is obvious.

Chrysler U.K. is too small to survive in the volume car business on its own and its future depends on the part is can play in the Chrysler organisation. The House of Commons Trade and Industry sub-committee was told recently that Chrysler U.S. had given assurances that Chrysler U.K. would be fully integrated into its worldwide organisation and that cross-directorships with Chrysler France would continue.

It is to be hoped that behind there generalisations the Government has been able to satisfy itself in detail on crucial aspects of this integration. For example, are the present six different models (Imp, Avenger, Hunter, Chrysler 180, Alpine, Simca 1100) and their production locations to be rationalised radically enough? Do the resulting volume/cost-price relationships look reasonable? Without this knowledge it is impossible to judge whether Chrysler U.K. can be sustained in the long run.

BL is not in the super-volume league and would be unwise to try to compete head-on model-for-model, price-for-price with manufacturers already twice the size. Its strength lies in superior product engineering (witness Range Rover, Jaguar and the original Mini) rather than superiority in high-volume production techniques—perhaps this reflects a national characteristic, are the British better craftsmen than mass producers? BL decided late in 1973 that in the long run it could be competitive in the volume car business only by making itself a niche in the market where its Austin-Morris products were a cut above those of the cheaper highest volume producers. By offering the customer something a little better and slightly dearer there is more chance of making the cars inherently profitable for both the manufacturer and the dealer.

BL made a start in implementing this policy during 1974, a great deal of work was done to refine the Austin Allegro and to achieve greater quality and reliability in the Princess which was in its final stage of development. Scope was naturally limited as the basic designs of these two cars had already been completed but the Princess is proving successful and the much improved Austin is now sufficiently competitive to increase its sales in the U.K. and Europe.

In parallel with the attack on quality, the volume/cost/price relationships have to be improved by continuing with the planned reduction in models. BL inherited 15 saloon cars with basically different bodies. These had been reduced to nine by 1975 and approved plans before the Government took control provided for a final reduction to five bodies which with variations would give seven different model ranges for the customer. A total of four main bodies plus one unique lower volume Jaguar body is the highest number which the scale of BL's operations is able to sustain without running into the penalties of low volume per model and additional complexity.

The strategy for BL's volume cars would place them still recognisably below the specialist cars which, with trucks, constitute the company's greatest potential strength. The specialist car business is subtly different from the volume car and the departure of many of the Jaguar and Rover senior management leaves a gap in BL's experience. There is a danger that imperceptive minds will demand the consistency of complete rationalisation and one of BL's strengths will be submerged under the sheer weight of Austin-Morris influence. To ensure this does not happen specialist car vehicle engineering and marketing have to retain sufficient identity in the organisation.

In highly competitive conditions the customer has become more discerning and design, quality and reliability have to be right. The setting of the required standards for a company's products is one of top management's most important responsibilities and experience has taught that achievement of these standards can be ensured only by close personal involvement, a view incidentally which the Ryder team did not appear to share.

BL's top management generally lacks car marketing and product experience and the financial holding company organisation is not likely to be particularly helpful. This is not a good situation but it need not lead to failure so long as the top management understands the fundamentals—establishing the right volume/cost/price relationships in the volume car business by finding the appropriate place in the market and identifying, preserving and capitalising on the characteristics of the specialist cars which command premium prices and profits.

The point of no return

Overall difficulties facing Occidental in the North Sea were clearly spotlighted by Granada TV's final Decision programme last night, even if some individual points were overlooked, says Ray Dafter, Energy Correspondent.

WITHIN THE past week, a group of offshore operators and a consortium of banks have signed a vital financing package for the North Sea's Claymore Field. The outcome of the deal is that development of the field will continue and Britain will take another step forward towards its energy self-sufficiency.

In this respect, the country can regard itself as fortunate, for if the operators were faced with exploiting the field in isolation, they would probably have given up the idea months ago. *At to-day's costs, at* present-day oil prices and with the current political uncertainties about such matters as depletion policies, Claymore is no more than a "marginal" find.

As a general rule of thumb it is reckoned that it is difficult to make an economic case for developing any field with less than 500m. barrels of recoverable reserves.

In Claymore's case, the offshore group, led by Occidental, has been talking of up to 400m. barrels of reserves; independent consultants have put the figure at 356m. barrels while the financing banks have been even more conservative, estimating no more than 258m. barrels.

The salvation of Claymore has come in the nearby Piper field, one of the most profitable finds so far in the U.K. sector of the North Sea and one which is also being developed by the same Occidental consortium. The sharing of pipeline and shore facilities with Piper has meant that the development costs of Claymore have been reduced to manageable levels. Furthermore, consortium members have been able to raise finance by using the assets of Piper as some measure of collateral.

Whether the importance of this link came across in last night's Granada Decision programme is questionable; I doubt whether it did. What did emerge clearly, however, is the difficulty of assessing complex geological structures and the size of reserves, even with the expertise demonstrated by the Occidental management.

The viewer could only sympathise with Mr. Bob MacAlister, vice-president of Occidental of Scotland and head of the U.S. group's exploration and development operations in the U.K., as he reviewed the reserves prospects following the seventh exploration well. "We still need 100m. barrels, more or less. Keep your fingers crossed for number eight," he extolled his colleagues.

But the eighth well failed to reveal any more oil. A decision now had to be taken on whether or not to proceed with development, even though the reserves position was far from satisfactory. But as the programme showed, the decision had virtually been made. The consortium could not afford *not* to proceed.

The four partners with an interest in Claymore had already committed $90m. on the find. Spurred on by the success of the second exploration well—in the event the one which showed the best results—Occidental and its partners had already ordered a production platform.

But this apparent haste was understandable. Recent inflation rates have been pushing up capital costs at an alarming rate. In a sense, the group could not afford to wait until the full exploration and testing programme had been completed, before *committing itself* to development.

So, this was the dilemma. The group could cancel the whole project and write off $90m. The total cost of finding, testing and developing the field was around $500m. In normal circumstances this investment would not have been justified by the reserves, at least by Occidental's own criteria. On the other hand, the group felt that development did meet its financial criteria on the basis that only $400m. or so had still to be invested.

Unfortunately, the film showed only the economic and geological factors behind the decision. These were critical and complex influences—so much so, that of the three Decision screenings this programme demanded most of the viewer. But they were not the only ones—the wider political issues, state participation, the rate of taxation, the price of oil, labour relations, even the question of devolution, were either ignored or passed over with a scant reference at the beginning.

And yet the rate of petroleum revenue tax was crucial to the whole Claymore issue. The Government opted for a rate of 45 per cent. (lower than many in the industry had expected), which undoubtedly kept the project alive. A higher rate of, say, 65 per cent. would probably have wiped Claymore off the North Sea oil map.

The omission of the PRT issue is to be regretted because Occidental's reaction to the Government announcement was filmed. Mr. Anthony Wedgwood Benn, Energy Secretary, was moved to comment at last week's preview of the programme that he felt influences behind the decision had been left on the cutting room floor. "Figures and forecasts will not make decisions for you," he said. "Companies and Governments are assessing factors which cannot be fed into the computer."

The fact that most of the voices heard were American is no fault of the Granada production team. It was Occidental which had the courage to open its dors to the film crew. Indeed, the reticence of the other consortium members to be involved — particularly the Thomson group—robbed the programme of the conclusion it needed. The meeting at which the partners committed themselves to full-scale development—surely a painful decision to some of those involved—was barred from the discreet camera.

Nevertheless, Roger Graef, producer and director of the Decision series, again laid bare some of the essential elements in decision-making, however methodical, unemotional and unspectacular they might have been. He does not pretend to have shown the whole of the truth, merely part of it. But if, in doing so, he managed to convey to the public at large even a small fraction of the way management decisions are taken, Graef will have provided a valuable service.

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Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
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Birmingham: George House, George Road 021-454 0922
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Brussels: 39 Rue Ducale 120037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Rosalambsvägen 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Jo'burg: 637 Union Centre East corner: Pritchard and Harrison Streets, P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

WEDNESDAY, FEBRUARY 11, 1976

Still no rush for credit

THE BANKING figures for the period to mid-January cover an unusually long span of six weeks and one in which the level of advances is affected not only by the debiting of half-yearly charges but by a sizeable net transfer of funds from taxpayers to the Exchequer. The squeeze on bank liquidity was expected to be particularly tight during this period, partly because of the very success with which the Bank of England had, until recently, been selling large amounts of gilt-edged stock to the public, and it was for this reason that a temporary return to 1 per cent. of special deposits was made.

The figures for the London clearing banks suggest that without this special help the the ratio of reserve assets to eligible liabilities would have been down on make-up day to only 13.2 per cent.—against the permitted minimum of 12.5 per cent.—and that three banks would have been either down to or very close to the permitted minimum, even before the squeeze reached its tightest. In that sense, this exercise in the flexible use of special deposits can be counted as having achieved its aim. On the other hand, the banks seem to have had little difficulty yesterday in paying back the special deposits used to tide them over this bad patch. The next make-up figure will show how much theoretical room they have to spare for expanding the credit base, but the demand for advances seems still to be far from buoyant.

Seasonal trend

It is indeed difficult, as the banks point out, to estimate what the normal seasonal trend for this period should be at a time when the seasonal pattern of tax payments is itself in flux. Yet they conclude that on balance the seasonally-adjusted movement of bank advances was slightly down and that demand for credit is still "restrained." Since there is little sign yet of any major turnround in industrial stockbuilding, even if the fall in production seems to have bottomed out, this is not altogether surprising. A great many firms, too, were busily engaged until recently in an attempt to reduce their net indebtedness to the banks, partly for prudential reasons, partly to save on the high cost of interest.

Last Friday's cut in minimum lending rate and the further drop in bank base rates which followed it means that the cost of credit is back where it was in the summer months of last year: base rate is back below 10 per cent., in fact, for only the second time in two and a-half years. This in itself may encourage companies to make use of their borrowing facilities rather more freely. But demand will become strong only when stockbuilding gets under way, and the question arises whether the Government will then be able to cut back its own borrowing needs sufficiently to avoid both a sharp rise in the money supply and a sharp rise in interest rates. The fall in interest rates which has been so marked a feature of the past few weeks seems already to have come to a stop.

Interest rates

The movement of interest rates is, of course, closely bound up with the behaviour of the sterling exchange rate and the course of interest rates in the U.S. It has been the steady drop in U.S. rates that has made it possible for Britain (and other countries) to bring down their own rates without simultaneously worsening their terms of trade. In the past few days, however, not only has sterling been somewhat weaker but the U.S. Treasury bill rate has risen slightly, with many U.S. economists predicting that industrial demand for credit will tend to prevent rates from falling further. It is this situtaion, as much as the issue of a new long-dated tap stock, that has made for relatively dull conditions in the gilt-edged market.

But yesterday the chairman of the U.S. Council of Economic Advisers remarked that the trend of mortgage rates was likely to remain down over the next nine months provided that continued progress was made against inflation, and that was itself enough to push gilt-edged prices a litle higher. For all the imponderables—not least of which is the financing of the public sector deficit in the coming financial year—there is little doubt that the authorities would like to see interest rates come further down, provided that conditions allow it.

The beginning of the dialogue

THE CONFERENCE on International Economic Cooperation (CIEC), which finally opens at official working level in Paris to-day, has taken such a long time to get started that the circumstances which originally brought it about have changed. It is also, despite all the preparations, a journey into the unknown.

Panic

The idea goes back to the aftermath of the Yom Kippur war in October 1973, to the oil embargo and the quadrupling of oil prices. It was widely believed at that time that the developed world faced a crisis of enormous proportions: there was the prospect of petrodollar surpluses so large that the banking system would be unable to cope, and fears that other developing countries would imitate the oil weapon in a demonstration of producer power. It was the industrialised countries which feared a confrontation with the third world rather than the other way round.

In retrospect, those reactions can be seen as panic. Far from accumulating steadily increasing surpluses, many of the oil producers have shown a remarkable capacity to raise their imports of goods and services. Some have already gone into deficit. It has proved impossible to form a producers' cartel for any other commodity, partly because the sources are so various and partly because most commodities are to be found in at least as great a quantity in the developed countries themselves. At the same time, most commodity prices have steadily dropped with the world recession to the point where some producer states are in severe economic difficulties. It is now the poor rather than the rich who have most to fear from confrontation.

This does not mean that the CIEC has lost its point, but it does mean that the priorities can be seen more clearly. The first is to help the poorest countries who have no oil, few exportable resources and who have themselves been the principal sufferers from the rise in oil prices and the accompanying recession. It is perfectly true that the oil producers have recently emerged alongside the developed countries as a source of aid, but they have so far refused to treat the problems of the least developed or fourth world as a priority, if necessary on a separate basis from other long term aims.

The second and related priority is agriculture. It may be said that this is being dealt with in other fora, but—with the exception of energy—that objection also applies to every other subject likely to be discussed by the CIEC. The fact is that if the third world were capable of feeding itself most of the problems on the CIEC agenda would cease to exist. For the most part, it is not a problem of missing technology, nor of a shortage of arable land, but of getting third world governments and their people to accept this simple point. The technology and the expertise can be gladly given. The Americans have made the point all along: it is up to the other industrialised countries to back it up.

Privacy

The third priority is simply that both the developed and the developing countries should enter the dialogue prepared to listen. While there have been a great many preliminary meetings, including the UN special session last autumn, this is the first time that negotiations on the whole range of development issues have begun in relative privacy and without undue time pressure. The time for rhetoric and public speeches is over. It is impossible to predict the results, but perhaps it is a case where the journey not the arrival matters.

The scale of Government help to industry is criticised in papers published yesterday by the Industry Department. **Geoffrey Owen** looks at new proposals for redirecting aid to research and development.

The profit—and loss—accounts of State-aided technology

WITH the Concorde having just entered airline service, it may seem churlish to question whether the aircraft industry is worth having. Yet the Department of Industry yesterday provided a useful reminder of just how unprofitable the industry has been, at least as far as the taxpayer is concerned. The Department published a set of papers* on industrial subsidies which includes the table reproduced here. It lists the 40 aircraft and aero-engine projects which were supported by Government "launching aid" between 1945 and 1974. The present-day equivalent of about £1.5bn. was paid out, of which less than £150m. has so far been recovered.

The author of the paper from which the table is taken, Mr. N. K. Gardner, a senior economic adviser in the Department, points out that the term "launching aid" did not come into general use until the 'sixties and has not usually been applied to Concorde. But all the projects listed have the common feature that recoveries of public money by levies from sales had been provided for and that something less than 100 per cent. funding had been contemplated—even for Concorde—when they were started; grants and loans have not been included in the figures.

Development stopped

Mr. Gardner admits that there may have been an element of deliberate subsidy in some of the projects. In the early post-war period an "infant-industry" case could have been put forward for giving support, since U.K. civil aircraft development had stopped in 1939 while work in the U.S. had continued during the war. Again around 1960, when the principal firms were merged in a series of shot-gun marriages, launching aid may have been regarded as a sort of dowry. The annotation (a) has been placed against those projects for which factors other than normal commercial considerations are thought to have played an important part in the decision to give launching aid.

If all category (a) projects are excluded, together with those for which further receipts are expected, there remain 14 projects where the Government contributions amount to £154.5m. and receipts £90.9m. Thus on projects where there was no obvious reason for subsidy recoveries amounted to only 60 per cent. of contributions. In only one case—the Viscount—has there been any substantial excess of receipts over contributions in constant price terms; even here the excess was not sufficient to provide for a reasonable allowance for interest.

THE COST TO THE STATE OF CIVIL AIRCRAFT AND AERO ENGINE DEVELOPMENT

(LAUNCHING AID ONLY, EXCLUDING LOANS AND GRANTS)

		Govt. contribs. to 31/3/74		Govt. receipts to 31/3/74		
		Current prices	At 1974 input prices	Current prices	At 1974 input prices	
		(£ millions)				
AIRCRAFT						
Shetland, Sandringham, Solent, Tudor, Air Horse	1945	2.25*	11.7	n.a.	n.a.	(a)
Apollo	1948	1.25	6.5	nil	nil	(a)
Brabazon	1948	6.45	32.8	nil	nil	(a)
Hermes	1949	1.3*	6.4	n.a.	n.a.	(a)
Comet 1-4	1956	10.25	38.0	4.1	12.2	
Ambassador	1951	1.85	7.6	.15	.4	(a)
Princess	1951	9.1	47.1	nil	nil	(a)
Viscount	1951	1.8	8.4	3.0	9.8	
V-1000	1955	2.35*	7.8	nil	nil	(a)
Twin Pioneer	1955	.05	.1	.05	.1	
Britannia	1955	6.4	24.8	5.1	16.0	
Rotodyne	1956	3.05	7.8	nil	nil	(a)
Argosy	1961	.1	.2	nil	nil	
Herald	1962	1.1	3.0	.05	.1	
VC10	1963	10.25	27.1	1.05	2.1	(a)
Trident	1965	26.1	53.5	.75	1.6	(a) (b)
BAC1-11	1965	19.05	45.3	3.3	6.1	(b)
Islander	1968	.05	.1	.05	.1	(b)
Jetstream	1968	1.2	2.4	.1	.2	
A300B	1968	1.15	2.2	nil	nil	(a)
HS146	1972	1.25	1.6	nil	nil	
Concorde	1968	233.8	406.8	3.15	5.8	(a) (b)
		340.15	741.2	20.85	54.5	
ENGINES						
Dart	1949	5.3	21.7	8.45	20.8	
Proteus	1950	19.45	72.2	3.5	9.2	(a)
Eland	1952	10.9	34.8	.05	.1	(a)
Tyne	1958	4.0	12.6	2.1	4.0	(a)
Orien	1959	4.75	14.9	nil	nil	(a)
Avon	1958	8.5	26.7	6.95	17.1	
Conway	1960	6.65*	15.9	5.85	13.4	
Spey	1965	9.9	23.7	6.6	11.2	(b)
RB178	1967	1.3	2.8	.1	.1	
Trent (RB203)	1968	2.5	5.1	.6	1.0	
RB207	1968	2.0	3.8	.05	.1	
M45H (for VFW614)	1973	6.6	8.6	nil	nil	(a) (b)
RB211	1971	146.7	224.4	6.25	10.4	(a) (b)
Olympus 593 (for Concorde)	1968	178.1	297.0	nil	nil	(a) (b)
		406.65	764.2	40.5	87.4	
TOTALS		746.8	1,505.4	61.35	141.9	

The date shown in the second column is about the mid point of the development programme. (a) denote a subjective judgment that motives other than the commercial success of the project in question were responsible for the contribution. (b) denotes projects from which appreciable further receipts may accrue.
** Provisional estimates.*
Source: The Economics of Industrial Subsidies (D.o.I.)

Over the 1945-74 period as a whole the net subsidy amounts to over £1.3bn. What has it achieved? It is true that since 1945 there have been civil aerospace exports of about £4.5bn. at 1974 prices and import savings of about £3.5bn.; about three-quarters of the £8bn. total came from supported projects. But even Government officials have suggested that if the resources had been diverted to other sectors of manufacturing industry the foreign exchange earnings might have been almost as great—at no cost to the Exchequer. In practice, of course, the need for foreign exchange is part of a vague amalgam of arguments—including preservation of employment and technological "spin-off" on other industries—which have been used to justify the scale of resources devoted to areospace.

Mr. Gardner takes all these arguments into account (including "intangible benefits relating to national morale and prestige") and many of them are not quantifiable. He accepts that the final balance must be a matter of subjective judgment but his conclusion is clear: "the net effect of aerospace launching aid has been a loss of national welfare."

The privileged position of aerospace is part of the national preoccupation, which has affected all post-war governments, with high technology. There is a perfectly respectable case for Government support of basic research; it is even possible to argue for financial subsidies to certain types of industrial research and development, particularly in industries whose structure and resources make it difficult for them to carry out the work on their own. What is less easy to defend is the scale of support given to commercial development, as opposed to exploratory research, and the concentration of that support in a few high-technology sectors.

In another contribution to the Department of Industry papers Mr. K. Pavitt, of the University of Sussex, shows that in 1972/1973 87 per cent. of the DTI's spending on civilian, industry-related research and development went on four sectors—aircraft, nuclear, space and computers; in aircraft and computers the bulk of the funds were for commercial development rather than for scientific research. Within the total, aircraft received by far the largest portion—over 50 per cent. in the U.K., compared with 16 per cent. in France, 8 per cent. in West Germany and 9 per cent. in the Netherlands.

The justification is sometimes said to be that the development of certain modern technologies is so expensive that the commercial capital market cannot mobilise the necessary funds. But it is at least possible that if commercial money is not available it is because entrepreneurs do not think that the technology, the market and/or the management is such that an adequate profit will be made. Thus Government money becomes either a substitute for industrial money or invested in second-best projects which become politically difficult to stop once they are started.

Held to ransom

Mr. Pavitt argues that the attempt to secure technological independence in certain "strategic" sectors is often misguided for a country which controls no more than 10 per cent. of the world's scientific and technical resources. Certainly the risk that the country could be held to ransom by a Boeing or an IBM must be taken into account, but there are intermediate stages between complete dependence and complete autarky. There is a case, he suggests, for supporting applied research and exploratory development, designed to have the basic technology "on the shelf" for eventual use without going into full-scale development and production.

GEC, for example, has stopped full-scale development in some areas of electronic components and computers. Instead, the company maintains an in-house R and D capability so that it can follow external developments, evaluate alternative sources of supply and, if necessary, move into full-scale production should a profitable commercial opportunity re-emerge. A similar policy on a national level, treating investment in R and D as an insurance policy, would be cheaper and more realistic than going for full-scale commercial development.

A decision to commit very large sums to a risky line of development, whether for a country or a company, should be based on an assessment of where the comparative advantage lies. Yet the experience of the past 25 years suggests that the U.K. no longer has any comparative advantage in the high technology sectors. It does not have the technical or financial resources to keep up with the much higher level of spending in the U.S.; nor does it have any unique needs or opportunities which might justify such expenditure. Another contributor to the Department of Industry papers remarks on the o[...] of concentrating so [...] national effort precisely in areas where the U.S. wi[...] much larger resources, is overwhelmingly strong com[...] tive position: West Ger[...] and Japan, by contrast, paid more attention to the glamorous but still "innov[...] intensive" industries where[...] were in a better positi[...] compete in world markets.

There are always s[...] emotional arguments a[...] "opting out" of high techn[...] (it has been described a[...] "last refuge of the enthus[...] nationalist"), but there [...] reason to suppose that a d[...] scaling-down of Govern[...] support to commercial de[...] ment in the high techn[...] industries would have a[...] effect on the country's eco[...] performance. Quite apart [...] the fact that many of thes[...] jects have been technical a[...] as commercial failures [...] because their sponsors [...] rushed into full-scale de[...] ment without spending e[...] on exploratory work f[...] hand), the money could b[...] more fruitfully in other a[...]

At present a very sma[...] portion of the Govern[...] support for research an[...] velopment is chan[...] through the industrial re[...] associations, which serve [...] the less research-int[...] industries outside the aero[...] electrical and chemical [...] Yet it is these indu[...] especially mechanical en[...] ing, which represent the [...] bone of the country's ma[...] turing and exporting [...] While there is no automa[...] nection between an ind[...] export performance an[...] scale of its co-operative re[...] activity, the research a[...] tions do useful work in [...] ing known technology ir[...] particular sectors: with [...] Government support, they [...] do more in basic researc[...] exploratory development.

Substantial reduction

The switch of emphasi[...] from commercial devel[...] and away from high [...] nology, as suggested [...] Department of Industry [...] would lead to a sub[...] reduction in the amo[...] Government expenditu[...] R and D. It would also [...] a conscious decision to a[...] certain technological [...] sions which have been [...] embedded in Government [...] and which have some po[...] industrial lobbies behind [...] But it is hard to challen[...] evidence that the p[...] pursued by successive G[...] ments in high technolog[...] produced very disapp[...] results. A reassessme[...] priorities is clearly requi[...]

"Department of Industry[...] Economics of Industrial [...]dies." HMSO £5.50.

MEN AND MATTERS

Pointed competition

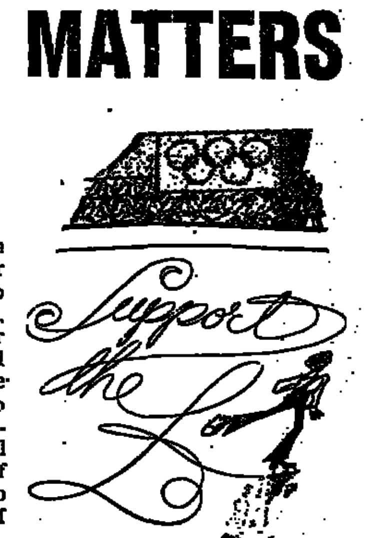
John Curry, carrying British hopes for gold in the Winter Olympics, is at least doing so on British skates—and so, apparently, are all the other competitors in the figure and free skating events. All the blades are made by one of two firms—John Wilson and Marsden of Sheffield, and Mitchell and King of Slough. Each of these companies reckons to export around 95 per cent. of their blades.

John Wilson had a head start since the company was founded back in 1696 under the impetus of royal patronage for the pastime of skating: Charles II had learnt to skate during his period of exile in Holland, and when he returned to England his enthusiasm caught on. From that base the Wilson company enjoyed a 250 year monopoly—a period which included the manufacture of special pairs of skates for Queen Victoria and Prince Albert.

The monopoly came to an end after the second world war. The well-known Queen's Ice Rink was short of skates and John Staple, a patron of that rink, formed Mitchell and King to meet the demand.

Competition between the two companies is intense. John Wilson enjoys the advantage of tradition which frequently leads skating instructors to recommend its blades to pupils. Mitchell and King on the other hand has worked particularly hard on promotion, won a Queen's Award for Export Achievement in 1974, and now claims to be the largest manufacturer of specialised (ice skating) blades in the world.

There are bigger manufacturers in Canada and Japan, but the two British companies claim that they have the quality end of the market. Mind you each also claims that its own product is superior to that of its rival. Therefore last word to the independent John Curry: he is using John Wilson blades in his free skating, but has plumped for Mitchell and King blades for the compulsory figures. Stand off?



"Curry is skating a very topical programme!"

Artless

The big sell-off of investments which has already taken place at Slater Walker Securities under Jimmy Goldsmith's plan for the new streamlined group is not being confined to stocks and shares. Jim Slater's sense of connoisseurship in his day at SWS led him at times beyond the stock market to more rarefied investment areas such as art, and sporting property. Now his successor, whose policy is to dispose of peripheral SWS interests, is a seller.

One of the interests already disposed of in a selling sequence which has yielded some £25m. is the Tulchan Estate on Speyside. Slater once described it as "an exceptionally attractive opportunity to develop an unparalleled sporting estate which should attract considerable business from overseas."

In the meantime Tulchan has been rented out for shooting and fishing. But now it has been sold for £1½m. Goldsmith, who incidentally, despite his socialite image, does not shoot, says only that it has gone "to a foreigner." (Not, it seems to one of the Arab purchasers so much in the market to-day for Britain's stately homes.)

A smaller total price—probably some £300,000-£400,000, is expected from the SWS collection of paintings. Slater does not appear to have plunged heavily into the market for old masters; there are no Rembrandts here. The whole collection Goldsmith describes as "rather run of the mill nineteenth century English works."

They are to be offered through dealers, including Sotheby's and Christie's, and, says Goldsmith: "We don't expect to make any significant loss." We must await the report, due in a few weeks from accountants Peat Marwick Mitchell and Price Waterhouse, to see how far that can be said of the other SWS assets.

Multi-million problem

Potential homebuyers who have been trapped by soaring building costs may care to reflect on the plight of Mr. Stewart Mott, the 38-year-old American multi-millionaire who was one of the main backers of Senator George McGovern's presidential campaign in 1972. Mott has decided that he cannot afford to buy the spectacular four-floor penthouse being built for him on top of a new 57-storey skyscraper on the east side of Manhattan: he complains that the cost of the penthouse has risen from an original estimate of $1.5m. to $3.2m. and that it is still not completed—although it was supposed to be ready by late 1974.

The penthouse itself is a veritable Xanadu, with glassed-in swimming pool, wine cellar, sauna baths and solaria. Mott is a keen amateur gardener, and the design features multi-tiered gardens and terraces. The so-called petit salon is almost 50 ft. long and the total living space covers about 17,000 sq. ft.—all of it with stunning views over New York.

The developers of the building have not said so far what they plan to do now that Mott is not going to move in. But Mott, a bachelor heir to one of the founders of General Motors, also has problems of his own. His love of gardening is not shared by neighbours in his present apartment building, who are suing him on the grounds that he has created a hazard by overloading the roof with vegetation and livestock.

Singular problem

Consternation in the ranks of Ulster's Loyalist politicians. A confidential document, detailing the reasons why the tripartite UUUC coalition can never be welded into a single party has just been leaked to a Dublin newspaper.

"It's not that it is all that embarrassing in content," said a Unionist spokesman, "it's just that it was the only copy we had."

Observer

…w does Mr. Michael Foot see his role now? The Employment Secretary talks to **John Elliott** about present policies and future hopes

Guardian of the social contract

…HAEL Foot's battle in …aons last night over his …n to extend the dock …heme inland was but … in a series of Parlia… …rows he has faced …a Ministerial career …is already lasted far …an seemed likely when …e Secretary for Em… …on Labour's general …victory early in 1974. …st two years since he …red his office at the …nt of Employment's …ers in London's St. …uare with the primary …eping the peace with …s in the wake of the …rike.

…done, it has for some …rumoured that he has …he brink of resigning, …r health reasons or …e has just had enough …a shuttlecock between …nment and the TUC. …in fact, could be …om the truth. For he …a new primary goal— …ion of unemployment …will sustain him in …ernment for many …come.

…e

…C will, therefore, con… …ave its own voice in …t for the forseeable …ile the TUC and the … general—and Mr. …s in particular—will …cial relationship with …nment which could …gh no other Secre… …te. This will, there… …o keep the social con… … of rapport intact …coming months, and …hen it will have to …lly reassessed will be …en Mr. Foot resigns …cause of policies the …t adopts or because …bandons the relation… Mr. Foot has no intention of going indeed, he is looking forward to developing longer term ways of preventing a recurrence of high unemployment levels — through shorter working hours and earlier retirement for example —when the present figures have been brought down.

Hhis enthusiasm for this job was evident when he spelt it out to me as he prepared for last night's docks debate in his first long formal newspaper interview since he took office. "*I don't want any other job*—I'd rather stay here and try to do this one and I want to stay in it till the unemployment figures start coming down. That may be a terrifying prospect for some but I don't want to run away from the problem any more than a Labour Government should run away from the problem."

"Not running away" means that Mr. Foot sees it as his job to argue relentlessly in the Cabinet for more of the types of measure to alleviate unemployment which are to be announced to-morrow by Mr. Denis Healey, the Chancellor. "I want to get these measures to the maximum possible, and I also want to assist in getting an expansion of the economy as fast as is possible," said Mr. Foot, demonstrating aims not far removed from those being *debated to-day by the TUC eco*nomic committee for its annual policy review. The reaction of the Government—and of Mr. Healey in particular—to this review is crucial in the run up to the next stage of the Government's pay policy. So it is not surprising that Mr. Foot acknowledges his special alliance with Mr. Healey, which has withstood the past two years, by saying: "Since pay policy and unemployment are central questions, we are bound to see each other and it is essential to hold the Government together.... Many of the measures which have been taken to consolidate our understanding with the trade unions have been taken by Mr. Healey."

This illustrates the fact that it is the Chancellor who has to pay out for the job creation, extra training, industrial investment and other measures which the TUC is constantly urging and it is then partly Mr. Foot's job to persuade the TUC not to ask too quickly for more. Not that the TUC's only dialogue is with Mr. Foot.

Possibly their most important talks take place at Mr. Healey's Downing Street home, where the TUC's six senior leaders—Mr. Len Murray, Mr. Hugh Scanlon, Mr. David Basnett, Mr. Jones, Mr. Danny McGarvey and Lord Allen—regularly repair for early evening drinks to discuss the realities of the economy. Mr. Foot is often there, a constant reminder, since he himself has moved so far from his old political standpoints on matters such as wage restraint and unemployment, of the deal between the Government and the unions. His standard-bearer equivalent in the TUC is his old political ally and friend, Mr. Jones, the leader of the country's largest union and the architect of the social contract during Labour's days of Opposition.

For Mr. Jones, the existence of Mr. Foot—standing as it were between the TUC and the realities of the Treasury—is a crucial part of the deal and Mr. Foot, in something of an understatement, admits that their relationship "helps."

But Mr. Foot has lost the allegience of many of his former Tribunite colleagues, as well as being pilloried by his Ebbw Vale steelworker constituents, and he might well leave the Government were the TUC to abandon its relationship.

He stressed that this relationship "would be destroyed if the Government cannot persuade the trade union movement that it is acting wisely on unemployment," and added: "If the gulf opened between the Government and the unions, I think I would have failed in what I am trying to do to keep them on the same course"—hinting that he might resign.

Problems

This possibility however is not uppermost in Mr. Foot's mind at present, even though he would never under-estimate the problems of maintaining the social contract with unemployment at its present level. What is occupying him—apart from the docks—is keeping the concordat in being and he is now doing this with some confidence. His health is better than it was a year or so ago and he speaks as a man who—contrary to the commonly held view—is now mastering his Departmental briefs and who has come to respect and rely on his civil servants, some of whom found his lack of interest in detail in the early days hard to take—as, for that matter, did some union leaders. His good relationships with his civil servants showed when he started his two-hour long interview with me by volunteering: "I don't take the Crossman view of civil servants. I may be his literary executor but that doesn't mean I need agree and what I found at the Department of Employment when I arrived was that the civil servants went out to do what I wanted—from the miners onwards."

This may not always have been true, however—there was great frustration in the heady early days of TUC domination and some civil servants were not too keen on being told in effect to go away and find out what the TUC—or Jack Jones—wanted and then do it. But Mr. Foot has a charm which has won over most of those who work with him, and he also enunciates his policies in a Labour movement perspective which he sticks to even though he had to learn the hard way in his first few months of office about the limitations of the unions' ability to deliver.

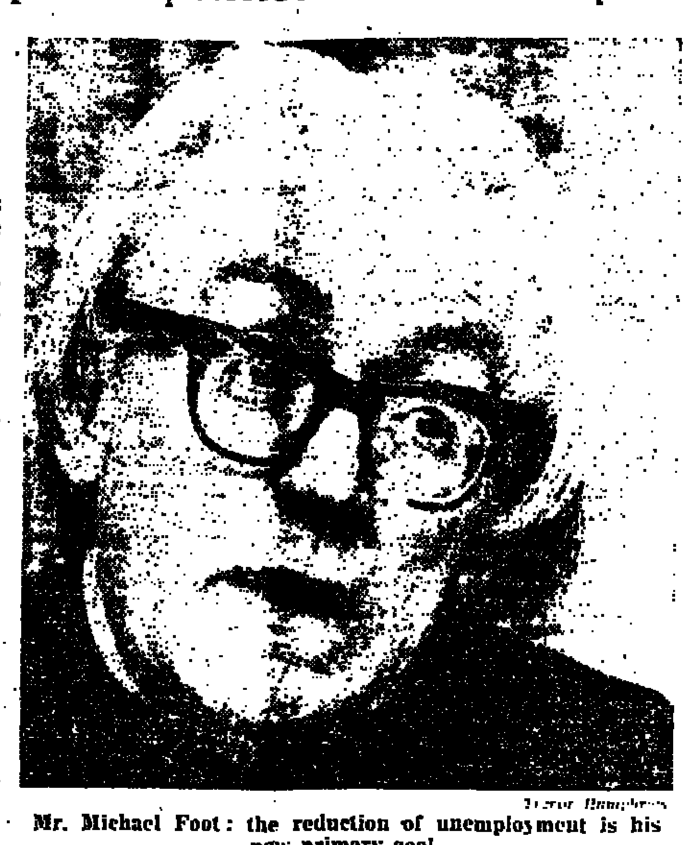
This is not how he would put it however. He considers the early days of "buying off" the unions almost as having been an essential down-payment to offset what went before and to lead on to co-operation with an incomes policy—itself an anathema to Mr. Foot himself a little over a year ago—and eventually to the point where the TUC can now be envisaging a continuous anti-inflation policy. He is proud of the fact that there have been no major strikes in the past two years, brushing aside suggestions that he simply "bought off" strikes in the early days and preferring to dwell instead on the conciliation successes of the Advisory, Conciliation and Arbitration Service. He likes this institution (created under the watchful eye of Mr. Jones who now sits on its board) but doubts whether a new wages body is needed for the next stage of the pay policy.

"It's the Department of Employment's job to look after the policy and be answerable to Parliament. So on the whole I prefer pay policies to be run by the Minister in charge and not by some organisation like the Tories' Pay Board which was a constitutional monstrosity. If there is going to be interference with people's wages then people must be protected by Parliament."

This, of course, is much more in line with TUC thinking than with the CBI's, and Mr. Foot, unlike many of his predecessors, still makes no apology for not being impartial between the two on this and other matters. "Of course we are bound to be partial to the trade unions and have a closer relationship than with employers . . . and anyway the Minister who gets to the Department of Employment is a politician with obligations. My obligations are to the trade union movement and I don't want to abandon that," he says. But he still believes he has "behaved reasonably" to employers.

It is this outlook which leads him to see his docks legislation as a logical extension of past Labour governments' help for dockers. He hints at the risk of a dockers' strike — which hit the Conservative Government on the issue of where dockers should work — when he says: "I believe the time to stop industrial disputes is when they are not on rather than after they have started. So is it a criminal offence for me to take account of our last two major dock strikes?"

Equally, he sees his closed shop legislation as a way of giving much needed help to improving industrial relations. Mr. Foot does not consider himself unduly interfering with genuine individual liberties, partly because the TUC will be setting up its own tribunal to deal with problems of workers expelled from unions and partly because he considers that legislative let-outs for workers not to have to belong to a union would probably not work in practice.



Trevor Humphries

Mr. Michael Foot: the reduction of unemployment is his new primary goal.

"The Tries' type of rights are simply an incentive for endless industrial trouble where an individual will not really be protected — all he'll be invited to do is to have a row with his workmates and then not get anywhere in the end."

Image

But, in line with some senior TUC leaders, Mr. Foot is anxious about the public image of the unions. "Issues like the closed shop depend on people behaving tolerantly and trade unions do want to do this. Everyone should behave in a tolerant manner, and the more power they get the more tolerant they should be. And that," he claims, "is happening at the TUC over the pay policy and over the closed shop tribunal. These people are not intolerant of the views of the rest of the community and they are not trying to dictate either."

It is against the background of these beliefs that Mr. Foot will carry on as the Government's guardian of the social contract, working to prevent a return to the confrontations of the last Labour and Conservative governments. "I believe it would be very foolish for the Government or the unions to abandon their close alliance," he declares. "There has got to be another pay policy — one done by consent with the TUC giving the lead, as they did last year, on a policy they can honestly recommend to their members. But it can't be anything rammed down their throats. I'm sure it can be done, though what the Government can do on unemployment is crucial."

Letters to the Editor

…s symbol …ality

…C. P. Morton

…eel that the impres… …ing through from … Gooding's article, … the right image" …9), does less than …he Institution of Elec… …neers. (I am a mem… …b the Electrical and … Engineers and thus …ed to comment.) The … for some time now …siderable efforts to … Council of Engineer… …tions more responsive … ultimate members— …o the 15 institutions …uprove its service to …ers and the country … In this initiative, … not been wholly suc… … date, but even less …uld have taken place

…cle correctly high… …of the serious prob… … not only the CEI …nbers, but the coun… …nole—status worship. …nel, Faraday, Mar… …henson, Watt or … mention only a ran… …ave been ashamed to …d with a spanner in …nd wearing a safety … soiling his hands? …mentable difference …ese great men and …ctitioners of the art …cation. Early engi… …d themselves on ex… …eir work to their …nes, so that all could … the subject. Many … "experts" pride …on being as abstruse … which frequently …ir peers and totally …rest. Yet the true …eadily communicate …ne.

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…eneral Secretary, …dministrative and … Section, …d Union of … Workers

… John Sampson's …uary 5) on my views …ute any of TASS's …February 3) of the …Engineering Institu… …d recommendations …essional engineers … unions. Mr. Samp… …ever raised new red … your readers should …lowing facts.

…on's "union" was …he Tory 1971 Indus… …s Act, now dead and … Sampson now only …members, less than …20! *This contrasts* …30,000 professional …r. Sampson claims … join his type of …igure of 5,500 is not …bership for a trade …itter how much ser… …ffing are cut to the … has 150,000 mem… … can only maintain … through our 12 per …um growth.

…rvey revealed that …t. of professional …e in genuine TUC… …ns, against 3.9 per … per cent.) in Mr. …nion." Since that …nducted last spring, …re professional en… …joined TASS; perhaps that is why the employers are so anxious to steer engineers into bodies more accommodating to them.

The main function of a trade union is to negotiate collective agreements with employers. After five years of trying, Mr. Sampson has yet to conclude his first industrial agreement. By contrast you have reported scores of collective agreements made by TASS on behalf of professional engineers, including those at Ford, Hawker Siddeley, BSC and Vauxhall.

Employees, including professionally qualified employees, combining against their employer and to lobby the Government, is a political act. There is no such animal as a non-political trade union.

If the U.K. Association of Professional Engineers and similar bodies were genuine trade unions they would be joining, not fighting, the established trade union for professional engineers, TASS, in the struggle for better conditions and greater security. Perhaps UKAPE members will ask Mr. Sampson to investigate this possibility as a solution to UKAPE's very real problems. We need less unions and more members, not more unions and non-viable memberships.

K. Gill.
Onslow Hall, Little Green, Richmond, Surrey.

Parliament in Europe

From Mr. J. Arnold

Sir,—The article on direct elections to the European Parliament by David Watt (February 6) admirably opens the debate on the system to be used in this country. The figures for seats allocated to the Parties under the different systems quoted in the article are based on the October 1974 General Election vote. Obviously Labour's lead under all systems reflect the result of that election.

As David Watt said, these figures are drawn from the research I presented in my Bow Group pamphlet, "Democracy for Europe." From that research it would appear that only two systems are remotely viable: our present system, and a regional proportional system.

Under our present system each of the 67 British Euro-seats would cover roughly ten British constituencies. The advantage is that the electorate is familiar with the system. The areas covered however would be too vast for the individual Euro-M.P. to know locally. The reaction to this system from the Liberals is likely to be vehement. Nowhere is their vote anywhere near adequate to return a Euro-MP. Neither the S.N.P. nor the Unionists would be similarly deprived as their votes are concentrated locally.

The regional proportional system has the disadvantage of being neither simple nor local. It would however meet the requirement of providing Euro-M.P.'s representing the British regions in a European context.

It is likely that the subsequent second Euro-election will be based on a Europe-wide system and is likely to be on a proportional basis. Those on the centre-right of politics should study the effect in Party terms: Using the 1974 figures, the single-member seat system would return 36 Socialists, 27 Conservatives and no Liberals. The regional proportional system would return 28 Labour, 22 Conservatives and 13 Liberals. The latter system would mean a reduction of 8 Socialists. As to the Liberals it may be significant that they sit to the right of the Conservative group in the European Parliament.

The adoption of a regional proportional system for the European Parliament would *not* establish a precedent for Britain. The two primary vital advantages of the present system for Westminster, local contact and responsibility, and stable government, do not apply. Euro-seats of such a size (for example one for the entire Highlands and Islands of Scotland and another for the whole of Lincolnshire) deny the practicality of very local contact, which is of such value to British MPs. A British contingent of 67, where the ideological balance is so even, cannot decisively affect the European Parliament's balance.

Scotland would be statistically entitled to six of the seats among the British 67. The fact that Luxembourg with a lesser population is allocated 6 seats is no reason for Scots to demand a greater share of the 67 seats at the expense of England, Wales and Ulster. Luxembourg is over-represented.

The alleged decision of the Royle Committee against the dual mandate is a reflection of reality, but will hardly aid the transition of politicians from the national to the European stage. *It may well be physically exhaust*ing to sit at Westminster and Luxembourg but the freedom to do both should be preserved, particularly during the early stages.

Jacques Arnold.
33a Nicholson Road, Addiscombe, Croydon.

Justice only half done

From Mr. W. F. Shepherd

Sir,—There is some measure of comfort to be obtained from the decision of the Leeds Tribunal that the Ferrybridge Six were unfairly dismissed, but there is no cause for euphoria, since the tribunal did not make a reinstatement order, or even a re-engagement order. True, the arbitrators are obliged to find out from the employer whether a reinstatement order would be complied with, and here it is evident that the power bosses have bowed to the use of force, or the threat of force.

An important point about this mass of industrial law is that employers are quite forbidden to use the excuse that "the union made me do it." And yet, in this case, the possibility of strikes by the big brother union were quite openly adduced by the employers, as the reason for dismissal, in the Hearing. As far as I can find out from the tribunal reports no attempt was made by the Chairman to delete such references from the record (if there was I apologise here and now). It was for this reason that I formally drew the Chairman's attention to the relevant sections of the Industrial Relations Act 1971, re-enacted in the 1974 Act.

Unfair dismissal was self-evident in the present case, but it shows up the sheer horror of a closed shop agreement, and the threat to individual liberty that is posed by such an agreement: it is no accident that *the chief* advocates of freedom are precisely those who refuse it to others, for a north-to-south squint is the hall-mark of many of our union and political leaders.

In the meantime I can only recall, with utter astonishment, the comment of one of the six wretched victims of "the boot," made on TV shortly after the hearing. This gentleman told us that everyone ought to belong to a union for his own benefit.

When, oh when, will we see real justice, not the kind of treatment that is lobbed out by modern legislation? The Trade Union and Labour Relations Act, the Employment Protection Act, and the Trade Union Amendment Bill are all very heavily loaded for one faction or against another, and they are all the products of an administration which is supposed to stand up for human rights.

W. F. Shepherd.
4, Asher Reeds, Langton Green, Kent.

Demand and profits

From Mr. S. Maitra.

Sir,—In this effort to be non-academic on the subject of economic theory Samuel Brittan (February 5) is seriously misleading.

First, real wages cannot be determined in a market as such, for workers/employees are able only to influence the level of *money* wages. On Brittan's orthodox terms equilibrium cannot by definition be achieved; after all, as money wages move, one cannot predict systematically what happens to prices, and hence, real wages.

Next consider his point about "elementary principles" applying "to the services of wage and salary earners as much as anything else." On this basis, then, wage-cuts and/or rises in the general price level, *ceteris paribus*, should increase employment. But what about effective demand? If we remove price controls and real wages fall, will firms necessarily employ more? Should we not consider their ability to sell the goods at these higher prices? If foreign markets are found to sell these higher-priced goods, then overall demand and hence the level of employment, may be maintained or even raised: alternatively, new investment, though unlikely in recessionary conditions in a devoluted economy, may have the same effect.

Finally, the level of real wages per head is important in determining the general macro-balance of an economy, but only insofar as that level is a reflection of the relationship between money wages, *labour productivity* (*given problems of measurement*) and prices. But any attempt to discuss the level of employment independently of the individual constituents of effective demand, and inevitably, of the role of profits, can only be a blow in the cause of economic illiteracy.

S. K. Maitra.
39, Campden Street, W.8.

Salerooms' surcharge

From The President British Antique Dealers' Association

Sir,—Art and antique dealers in this country, contrary to Mr. Michael Thompson-Noel's article (February 7) concerning the effect of the buyer's surcharge now levied by the major London auction houses, regrettably detect a trend towards the fine art *auction market moving overseas.*

Readers would doubtless accept that this shift is clearly encouraged by a flat-rate commission of 12½ per cent. charged in New York for objects over $15,000 which must prove more attractive to international vendors that the effective new rate of 20 per cent. charged in London.

Moreover as the whole problem of the additional auctioneers' surcharge is now under the scrutiny of the Price Commission and the Office of Fair Trading, which Mr. Thompson-Noel fails to point out, further detailed public comment by me at this stage would seem inappropriate.

George J. Levy,
20, Rutland Gate, S.W.7.

To-day's events

GENERAL

Prime Minister speaks at Parliamentary and Scientific Committee lunch, Savoy Hotel, W.C.2.

Dr. Joseph Luns, NATO secretary-general, arrives in London to discuss with Mr. James Callaghan, Foreign Secretary, and Mr. Fred Peart, Agriculture Minister, possibility of again acting as mediator in Icelandic fishing dispute.

TUC Economic Committee meets.

Four special commissions—on energy, raw materials, development problems and related financial issues, set up by Conference on International Economic Co-operation — start work in Paris.

Home Office White Paper: Statement of change in immigration rules for control on entry of EEC and non-Commonwealth nationals.

Sir Campbell Adamson, CBI director-general, speaks at West Surrey members' lunch, Cobham.

Government's views on regional strategy for East Anglia published.

Mr. Harold Lever, Chancellor, Duchy of Lancaster, speaks at Institute of Petroleum dinner, Grosvenor House, W.1.

Mr. Peter Shore, Trade Secretary, addresses meeting of Labour Friends of Israel, House of Commons.

Sir Ralph Bateman, CBI president, ends visit to Nigeria.

PARLIAMENTARY BUSINESS

House of Commons: Debate on Government's guidelines on state investment in motor industry.

House of Lords: Debate on "the *rapidly declining efficiency of the* British political system."

COMPANY RESULTS

Aaronson Bros. (full year).
Dalgety (half-year).
Donald Macpherson Group (full year).
Securicor Group (full year).
Security Services (full year).
United Dominions Trust (half-year).

COMPANY MEETINGS

Atlas Stone, Artillery Row, S.W., 10.30.
Martin the Newsagent, Connaught Rooms, W.C., 12.
Redfearn National Glass, York, 12.
Westland Aircraft, Hyde Park Hotel, S.W., 12.

OPERA

Royal Opera production of *Benvenuto Cellini*, Covent Garden, W.C.2, 7.30 p.m.

MUSIC

London Symphony Orchestra, conductor Erich Leinsdorf, with Wanda Wilkomirska (violin) play works by Mozart (symphony No. 33 in B flat), Britten (violin concerto), and Mussorgsky/Ravel (Pictures at an Exhibition), Royal Festival Hall, S.E.1, 8 p.m.

COMPANY NEWS + COMMENT

De la Rue third quarter improvement

THIRD QUARTER pre-tax profits of the De La Rue group show a sharp improvement at £3,107,000, against £1,730,000, obtained from sales higher by £6.9m. at £33.5m. Stated earnings per 50p share for the period advanced from 4.7p to 8.7p.

This improvement offsets in part the first quarter setback, and leaves the taxable profit figure for the first nine months of the year at £5,288,000, against £5,843,000, with stated earnings at 14.5p, compared with 17.2p per share.

For the full year to March 31, 1975, profits were £8,274,000 and earnings per share 26.2p.

At the annual meeting last July, members were told that the sharply reduced first quarter profits (£769,000 against £2.5m.) reflected continued downturn in demand for Formica products in most areas of world, coupled with effects of industrial action in Crosfield Electronics and the Security printing businesses. Those latter problems had resulted in a loss of impetus in the first half and would have the effect of concentrating profits for the year as a whole in the last two quarters.

Improved Security profits for the year were expected to be accompanied by a measure of recovery in Crosfield operations, it was then stated, although the outlook for Formica products in current conditions remained unfavourable. The Board expected the outcome of the year to be in line with its stated aim of producing "reasonably steady" results in this difficult period.

Third quarter sales comprised £8.4m. (£7.2m.) U.K., £10.3m. (£7.6m.) export and £14.8m. (£11.8m.) overseas companies.

Trading profit for the quarter was £2,256,000 (£1,141,000) or 6.7 per cent. (4.3 per cent.) of sales, and the share of profit of associates £851,000 (£589,000). Minorities absorbed £51,000 (£5,000).

	Three-quarters 1975-76 £000	1974-75 £000
U.K. sales	23,283	19,583
Export	24.036	16,296
Overseas companies	40,460	36,319
Total sales	87,779	72,198
Trading profit*	3,089	4,336
Share associates	2,199	1,507
Profit	5,288	5,843
Profit after tax	2,093	3,037
Minority	114	609
Attributable	2,207	2,428
Preference dividend	9	10
Attributable Ordinary	2,198	2,418

* As percentage of sales 3.5 (6.0).

The 1975-76 results of overseas companies have been translated to sterling at rates ruling at December 31, 1975 (1974-75 at December 31, 1974 and March 31, 1975, at rates applicable). Differences on exchange in relation to assets, liabilities and reserves of these companies have not been taken into account in this statement.

See Lex

HIGHLIGHTS

De La Rue has turned in much better than expected third-quarter figures, thanks to the strength of its bank note side and further recovery in Formica. Imperial Group also pleased the market with its figures, which reflected a strong trend in the food activities. Completing the Lex column is Thos. W. Ward which is raising £6m. by way of a rights issue to help reduce borrowings and to finance an expected upturn in trade. Elsewhere losses have been recorded by both Levex and Stroud Riley Drummond while net asets of Artagen Properties have been reduced following the latest revalution.

G. Wills downgrades forecast

THE DIRECTORS of George Wills and Sons (Holdings) say results for 1975 will not now meet last September's forecast of record profits, due mainly to the sudden collapse of a major client in Singapore.

The collapse, early this year, apparently involving fraud, necessitates bad debt provisions which will adversely affect the results of the export division, the directors explain.

In spite of the revised forecast they anticipate that the year's profits will well cover the total dividends to the maximum permitted.

In 1974, a net total payout of 1.17p was made from peak pre-tax profits of £891,502. An interim dividend of 0.715p (0.67p) has already been declared.

The Board states that indications are that in 1975, the import, commodity and engineering divisions have produced "excellent" profits.

Dividend outlook at CCH

PROFITS BEFORE tax for the seven months to November 2, 1975, of CCH Investments came to £174,674, including foreign exchange gains of £160,000. In the previous year's corresponding period, when there was no exchange gain, profits amounted to £114,186 to which was added £212,309 in exceptional credits, making a total of £326,495. Turnover was down to £2.73m. from £3.12m. for the period.

The directors say there is again no intention to pay a dividend at this time, as the exchange profits are as yet unrealised, and it is necessary to retain cash resources for development of the brewery division.

It is anticipated, however, that with the return to a satisfactory annual level of profits, dividends will be recommenced in the coming year. *The last dividend payment was the total of 3.4p net for 1973-74.*

	Seven months 1975 £	1974 £
Turnover	2,733,000	3,120,742
Hotels	1,011,000	1,280,409
Brewery	1,335,000	1,247,650
Construction	467,000	592,683
Trading profits	567,782	628,531
Hotels	90,621	383,684
Brewery	152,552	127,875
Construction	30,091	54,383
Travel associates	163,398	157,359
Foreign exchange	160,000	—
Expenses	62,874	77,518
Depreciation, etc.	154,566	183,357
Loan interest	187,237	233,770
Inter group profits	8,401	30,000
Exceptional credits	—	212,309
Pre-tax profit	174,674	326,495

Current trading of the brewery division, the Bermuda hotels and the associated travel companies all show a satisfactory improvement with considerable growth potential, members are told.

The group has effected the disposal of its construction companies and the loss making U.K. hotels division—the last named incurred a loss of £350,000 in the final five months of 1974-75.

Net assets per 25p share are stated at 85p compared with 81p.

● Comment

CCH has altered its trading set-up so much, and so often, over the last few years that the latest changes, the complete elimination of the U.K. hotel and construction interests, have failed to produce any significant reaction from the sharep rice which closed 1p lower yesterday at 28p. The proceeds from these sales, together with a recently arranged medium-term financing, have substantially reduced the group's short-term borrowings (£1.7m. in the last accounts) but the overall debt position is apparently little changed from the £3.08m. shown at the end of 1974-75. The remaining inferests all increased their first-half contributions and are expected to remain on the upward trend for the rest of the year. *However, a return to* profits for 1975-76 (against a £459,000 pre-tax loss last time) is still dependent on the exchange profits deriving from the Bermuda interests. At the moment these look like being at least as substantial in the second half as they were in the first and this suggests a full-year pre-tax profit of around £100,000 pre-tax. The company is capitalised at just over £1½m.

Stroud Riley setback

A TURNROUND from a pre-tax profit of £199,000 to a loss of £145,000 is reported by Stroud Riley Drummond for the six months to September 30, 1975.

There is no interim dividend. Last year's total was 1.75p net per 25p share from profits of £145,199.

After tax and minorities, and extraordinary credits this time of £93,000, the group loss for the half year comes through at £40,000 against a £95,000 profit.

	Half year 1975 £000	1974 £000
Turnover	2,878	3,441
Pre-tax loss	145	*199
Tax credit	15	†93
Minorities	3	4
Extra-ord. credits	‡93	—
Group loss	40	*95

* Profit. † Charge. ‡ Includes surplus on disposal of interlining division £91,000 (nil) and disposal of associated company, credit £26,000 (nil), less loss of exchange £24,000.

● comment

Afflicted by a big slump in the wool textile trade both at home and overseas, Stroud Riley Drummond has reported a second consecutive half-year loss. Over the previous first half, interim figures show a turn-around of £344,000 at the pre-tax level on a fall in sales of 16 per cent. And although the orderbook is reportedly just beginning to show a small improvement, it seems unlikely that any real change in fortunes will be reflected in this year's final figures. *Nevertheless, the disposal* of the interlining business reported last June, coupled with some recent small property sales, have helped to keep the balance sheet in trim. Borrowings of just over £1.2m. at the end of 1974-75 (or 58 per cent. of shareholders' funds) are probably already down by around £300,000. In addition, the downturn in turnover has contributed to a cut in stocks already depleted by the *interlinings disposal*. The shares at 17p after a 3p fall on results, however, had an asset backing of 55.7p at the beginning of the year.

Levex cuts loss to £85,602

A REDUCED pre-tax loss of £85,602 compared with £335,841 is announced by manufacturers of double jersey knitted fabrics, Levex, for the year to August 31, 1975, on turnover of £2.17m. against £3.19m. At halfway a turnround from a loss of £152,000 to a profit of £23,000 was reported.

The yearly loss per 20p share is shown to have fallen from 5.35p to 1.72p. Again there is no dividend.

After a tax credit of £23,830 (£143,067) the net loss emerges down from £660,633—after extraordinary expenses of £467,859—to £61,772.

The directors report that trading is proceeding satisfactorily and therefore the group's profit for the current half-year is expected to compare favourably with the same period last year.

● comment

After a brief return to profits at the interim stage, Levex has aiain turned in a loss fo rthe full year. Yet the year has taken the tail-end of the company's retrenchment expenses, and fibre costs have increased sharply at a time when low demand precluded substantial price adjustments. Levex is now a different animal from that which came to the market in 1972 with a maiden performance of £350,000 profit followed by a headling slide into a loss of £336,000 by 1973-74. The group currently consists of just two knitting factories, with the addition since September of a textile printing business purchased for £87,000 and operating at a profit. The company is looking for a reasonable profit, and it still has some £184,000 on deposit, so perhaps Leve xis ready to haul itself along the road to recovery. Nevertheless ,the shares at 12p will probably need to see the recovery before they react.

Mr. R. A. McNeile, joint chairman of Arthur Guinness, who told yesterday's annual meeting that he believed this year's pre-tax profit would be close to that of last year.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Artagen Properties	0.84	—	0.79	1.39	1.49
Bristol Evening Post ... int.	1.75	Mar. 31	1.75	—	4.72
Cable Trust	3.2	Mar. 26	2.8	4.6	4.2
General Consolidated	1.6	Mar. 29	1.55	2.5	2.25
Imperial Group	2.86	Apr. 1	2.57	4.61	4.82
Shires Investment 3rd int.	3.6	Apr. 7	2.8	6.4	5.6
Stroud Riley Drummond int.	Nil	—	0.87	—	1.75
Telephone and General	5.1	Mar. 29	4.6	7.0	6.5
Temple Bar Inv.	3.7	Mar. 26	3.2	5.0	4.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Ashbourne mid-term progress

GROUP PROFIT, before tax, of Ashbourne Investments improved from £23,000 to £145,000 in the half year to October 31, 1975. The figure for the year to April 30, 1975, was £170,000.

While the directors are not in a position to forecast overall profits for the second half, they reiterate the hope that it will be possible to recommend a dividend in respect of the current year.

This is subject to no marked deterioration in the market price of the investment portfolio and any unexpected setback in expectations as to maintaining at least the level of trading results.

It is, however, still too early to be more definite than this or to hazard an opinion as to the amount of any dividend that may be recommended, they add. The last total was 0.9187p net per 25p share for 1972-73.

As regards the current half-year, however, the directors point out that the holding company's net expenditure should show a reduction as it will benefit from a full six months of the increased liquidity resulting from substantial sales of investments made mainly last August. In addition, the bulk of the group's investment income arises in the second half.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
Banking & financial profit	28	1	33
Industrial	223	134	354
Holding co. expenses, etc.	62	86	139
Loan stock int.	44	44	87
Profit before tax	145	23	170
Taxation	65	5	42
Minority	23	12	26
Extraord. credit	2	*277	*633
Net balance	59	*271	*581
Net tangible assets	†13.2p	8.7p	13.3p

* Debit. † Per share—investments at market value.

The marked improvement in first-half results of the industrial companies reflects a substantially increased profit from Chelton (Electrostatics). Automated Printed Circuits experienced a setback from which, however, it has since recovered. John Bolding and Sons is still suffering from the depressed state of the building industry.

In view of Mr. L. Faust's interest in approximately 24 per cent. of the capital, an invitation was extended to him to join the Board which he has accepted.

The directors have received confirmation from Central and Sheerwood that it is proceeding with the bid announced last November, and *documents are in the course of* preparation.

Listing of Ashbourne's shares was suspended in April 1974.

Attock ahead

PROFITS before tax of Attock Petroleum were £381,000 in the half-year to June 30, 1975, compared with £291,000 in the same period of 1974. Sales amounted to £9.56m. against £9.62m.

As a result of the scheme which becomes effective on November 28 last year, Attock Oil became a wholly owned subsidiary of Attock Petroleum.

Results for the half-year to June 30 last refer to the operations of Attock Oil and its subsidiary, Pakistan Oilfields but are presented in the name of Attock Petroleum since Attock Oil is no longer listed.

For all 1974, taxable profits of Attock Oil were £599,789.

First-half tax charge for Attock Petroleum amounted to £200,000 (£136,000). Minorities were £36,000 (£29,000).

Group profits have been calculated after giving effect to the price equalisation payments formula designed by the Government of Pakistan

Comparative figures for 1974 have been adjusted to take account of price equalisation payments and realised differences on exchange.

The directors say negotitions on the quantum of price equalisation payments due for 1974 have resulted in an ad hoc payment to Attock Oil of £119,100 against a claim of £269,000.

Pakistan Oilfields still has a balance due in respect of 1974 of £14,000. Both Attock Oil and Pakistan Oilfields have lodged claims for 1975 and while nothing has yet been received, Pakistan Oilfields has been promised an ad hoc payment of £279,000.

The start of production from Meyal Well No. 4 should stem the recent decline in group output, the directors report.

The throughput of the Morgah Refinery *in the first half* was 1.06m. U.S. barrels (1.31m.) and it continues to operate below capacity.

Production from Meyal No. 4 and, in due course, No. 6 will improve this situation.

It is pointed out that under the Government's current fixed return formula the increased production from Meyal will not, of itself, add to group profits.

Temple Bar pays more

After-tax earnings of Temple Bar Investment Trust rose from £338,057 in 1974 to £353,449 for 1975.

Stated earnings per 25p stock unit are 5.639p against 5.382p previously—fully diluted they are 5.381p (5.154p)—and the dividend total is lifted from 4.5p to 5p with a final payment of 3.7p net.

Net assets per stock unit were 135p against 65p and 134½p compared with 72½p on full conversion of the loan stock.

ISSUE NEWS

Thos. W. Ward—1-for-3 rights

Thos. W. Ward is to make a rights issue to raise £6m. by the offer of one new 25p Ordinary share for every three held at 48p each.

Within the accompanying statement on the reasons for the issue, the Board points to the costs of its expansion programme over recent years amounting to £36.1m., which has been financed as to £1.8m. by the issue of share capital; £15.6m. out of operating profits; £10.4m. by the issue of long-term debt and £8.3m. by the issue of short-term debt.

Furthermore, since September 1974, working capital requirements have risen by £12.2m. These are given as the principal factors behind an increase in the total indebtedness of the group from £7.2m. at June 30, 1972, to £42.8m. at September 30, 1975. As a result of seasonal fluctuations, total borrowings as at January 21 last amounted to £42.4m. after receipt of the proceeds on the sale of a majority stake in Marshall-Fowler.

The proceeds of the issue will initially reduce overdrafts, and will subsequently be used to finance the remaining portion of the group's investment programme in its cement subsidiary.

The chairman's review accompanying the report and accounts for the year to September 30, 1975 states that since an improvement in economic conditions is not immediately reflected in the group's results, the Board does not expect any early recovery in group profits, which fell £1m. to £6.88m. at the pre-tax level last ear.

Having discussed the external constraints which will affect the company's performance, the chairman goes on to point out that there are also areas within the grou pwhere the performance requires improvemnt.

Howver, he continues, action has been taken in a number of these areas and is being taken in others.

It is *the Board's intention* to propose dividend payments on the increased capital for the year ending September 1976 equivalent share gross proposed for the year to last September.

An EGM is called for February 26, with the intention of increasing the authorised capital.

The issue has been underwritten by Kleinwort Benson and brokers are W. Greenwell and Co. Dealings are expected to commence on February 27.

See Lex

Short term local loans

The yearling Bonds coupon *has* remained unchanged this week at 10¼ per cent. The Bonds are due on February 16, 1977.

This week's issues are: Castle Morpeth Council (£½m.), Middlesbrough Borough Council (£½m.), East Hampshire District Council (£½m.), South Herefordshire District Council (£½m.), Ettrick and Lauderdale District Council (£¼m.), London Borough of Enfield (£1m.), Islwyn Borough Council (£½m.), Tunbridge Wells Borough Council (£½m.), Arum District Council (£½m.), City of Bradford Metropolitan Council (£½m.), Buckinghamshire County Council (£½m.), London Borough of Hillingdon (£1m.), London Borough of Hounslow (£½m.), Metropolitan Borough of Solihull (£½m.), London Borough of Lambeth (£1m.), City of Nottingham (£½m.), London Borough of Barnet (£1m.), Chester-le-Street District Council (£½m.), Eastbourne Borough Council (£½m.), Leicester City Council (£1m.), Renfrew District Council (£½m.), City of Southampton (£1m.), Test Valley District Council (£½m.), London Borough of Newham (£½m.), North Wiltshire District Council (£½m.), Ashfield District Council (£½m.), Lichfield District Council (£½m.), - Borough Council (£ field District Cou: Mole Valley Dis (£½m.), Three Ri Council (£½m.), R; Council (£½m.), Ch (£½m.), Luton Bor (£½m.).

Tharsis rights forecas

Tharsis Sulphur proposes to raise £1 of one new £2 sh three held. The pr used to finance the ticipation in the Ap Integral de la Par in which Tharsis per cent. interest.

The AIPSA proje be erected in south the company's m cinders in order metals within. Cap project is put at s the next three though finance wil able from Tharsis the Government a

For the current tors forecast that be less than £100 £50,000 of unrea gains) against a p in the previous which adversely a half, when prof £300,507 to £56,71 apply in the secon sales amounted (568,736) tons. F November and Dec difficulties tempo deliveries.

The directors al view of the st requirements of years it may well years before the able to return to t They warn sha requirements of will make it imp tain a Stock E although every eff to obtain a mod proposals so that Exchange quota arranged and pos one.

Gener Consl advan

GROSS REVEN General Consolid Trust shows li £1,045,221 co £1,042,435 in 1974 interest charge against £234,246, tax rose from £7

Earnings are from 2.73p to 2.8 and the dividen from 2.25p to 2.5 payment of 1.6p.

Gross revenue
Franked
Unfranked
Admin. expenses
Interest charges
Revenue before tax
Tax
Net revenue
Pref. dividends
Available Ord.
Ord. dividends
Retained

The net asset was 80½p at the pared with 40p a 80¾p (42¾p) fully

هكذا من الأصل

Guinness sees profits close to last year

R. A. McNeile, joint ...n of Arthur Guinness Son ... told yesterday's annual ... that with the qualifica... ecessary these days, he ... that the company's achievements, expressed ... of profit before tax, were ... be close to those for ...vious year.

...e first four months, the ...'s stout, ale and lager ... the Republic of Ireland ...htly better than last year. ... problems lay in the fact ... continuing swing from ...beer and stout to draught, ... strain on the capacity of ... company's breweries to ... draught demand.

...cts for the rest of the ...wever, had been "very ..." affected by the pro... of the Irish Budget, ...ed last month. At a time ...al incomes were falling, ... beers will be expensive ... customer and sales will ...y be reduced," said Mr. ... "I think, therefore, that ... be doing very well if we ... near last year's achieve... in the Republic of ... he added.

...e present climate in ... Ireland, the way ahead ...viously not be easy, but ...tors were confident the ...ould continue to get a ...re of this increasingly ...ve market. Total sales ...htly up in volume on last ...ough in that market also ... a movement away from ...roducts to draught.

...eat Britain sales of ... improved after the ...ally hot summer of 1975, ...d a rather depressing ... stout sales. Referring ... the chairman said that ... next six months a ...olding of the retail price ...ected, since beer and ...re included among the ...bject to the Selective ...straint Scheme.

... these circumstances, the ... would expect to achieve ... or Guinness stout in ...tain, in line with those ...year, but Mr. McNeile ...d that, if the provisions ... British Budget should ... price increase through ... duty "then, inevitably, ...ts would be adversely ...perhaps seriously."

... start of the year ... Overseas looked ... to making a good ...n its contribution and ...tors believed on the ...o far that this would be ... All Guinness breweries ... were improving their

...ager sales in the first ...hs had continued to be ... particularly in Great ...continuing the strong ...rowth of the summer ... A trading agreement ...ned in Paris with ... Kronenbourg of Stras... December 2, 1975, and ...urg brewed in the Harp ... would be launched in ...tain next month.

...eneral trading group, ...on and Jones, continued ...in its "excellent" pro... could reasonably be ... to show "even better" ...is year. The overseas ...livision, the financial ...hich ended on Decem...uld again show a "very ..." increase in business

...leile reported that on ...s side, where trade last ... at a very low level, ... been an appreciable ...nt in Great Britain, ... Holland, but forward ...e still low and it was ...e to forecast that the ...nt now seen would be ... throughout the year. ... be expected the ...ry group to show ...its this year than last.

...FORMS NEW ...ANY

...ish Printing Corpora... ...ormed a new company, ...ess Forms (Security), following the growth of its work in this sector. The new company has factories in London and at Dunstable, and is a major producer of cheques and other security printing.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's time-table.

TO-DAY

Interims:—Dalgety, Econa, Elbief, Primrose Industrial, United Dominions Trust, Wades Departmental Stores.

Finals:—Aaronson Bros., Anglo-American Securities Corporation, Colonial Securities Trust, Law Debenture Corporation, Donald Macpherson, Securicor Group, Security Services.

FUTURE DATES

Interims:—	
Minerals and Resources Corpn.	Feb. 12
Press Tools	Feb. 16
United Real Prop. Trust	Feb. 25
Wedgwood	Feb. 19
Finals:—	
British Enkalon	Feb. 16
City Offices	Feb. 17
Cornell Dresses	Feb. 18
Evode Holdings	Feb. 27
Lancs. and London Inv. Trust	Feb. 17
Meldrum Investment Trust	Feb. 16
New York and Gartmore Inv. Tst.	Feb. 16
Newbold and Burton	Feb. 19
Scottish Eastern Investment Trust	Feb. 19
Simonside Investment	Feb. 13
Steetley	Mar. 10

Telephone & General pays more

NET EARNINGS for the year 1975 of Telephone and General Trust increased from £724,732, to £757,835.

Basic earnings per 25p share are shown to have advanced from 7.776p to 8.146p, and fully diluted from 7.704p to 8.048p. A final dividend of 5.1p lifts the net total from 6.5p to 7p.

	1975 £	1974 £
Gross revenue	1,384,280	1,302,487
Earnings after tax*	757,835	724,732
Tax charged	434,798	387,804
Add to reserves	102,680	114,391
Dividends	655,155	610,341

At end 1975 the net asset value per Ordinary unit was 190p against 88½p and the net asset value, allowing for full conversion of the Loan stock, was 193¼p compared with 98¼p.

Clyde Paper first half deficit

The first half loss expected by Clyde Paper turns out to be £147,373 compared with profits of £54,736 last time. Pre-tax profits for all the year to March 31, 1975 were £76,832.

The directors state that since October 1975 some recovery has been experienced, but this has shown no consistent or sustained pattern, and it is not possible to make any reliable trading forecast.

The first half loss per 25p share is shown as 4.6p (earnings 1.5p). No dividends have been paid since 1965.

Turnover fell from £1.46m. to £0.95m. The loss was struck after interest of £10,634 (£14,679).

Govett European

After expenses and interest of £99,524, compared with £272,293 and tax of £115,044, against £311,220, Govett European Trust reports a decline in the amount available for Ordinary capital from £287,278 to £106,157 for the six months to December 31, 1975. The total for the last full year was £444,568.

Net asset value per 25p share was 84.9p at December 31 (80.9p at June 30), including 31.2p (33.9p) in respect of 100 per cent. of the investment currency premium.

Loans of $0.5m. and DM1.15m. were repaid on October 17 and $0.5m. on January 19, 1976.

	Dec. 31 1975 £	June 30 1975 £
Inv. valuation		
—Sterling	102,560	1,121,460
—Foreign	16,158,622	9,771,937
Inv. currency prem.	6,246,436	6,775,845
Net current assets	971,238	1,232,550
Total net resources	17,475,796	18,899,812
Foreign currency Lns.	494,267	912,782
Attributable	16,984,529	17,987,029

Cable Trust lifts earnings

GROUP NET earnings of Cable Trust rose from £3.67m. to £4.13m. for 1975 after tax of £2.73m. compared with £2.31m.

Basic earnings per 25p Ordinary stock unit are shown as 5.217p against 4.664p and at 5.139p compared with 4.595p fully diluted.

A net final dividend of 3.2p lifts the total from 4.2p to 4.6p.

At December 31, net asset value per stock unit was 162¼p against 93¼p and 160¾p compared with 94¾p after allowing for full conversion of loan stock.

	Year 1975 £	1974 £
Gross revenue	7,736,795	6,850,035
Net earnings	4,127,182	3,673,856
Tax charged	2,733,938	2,307,304
To reserves	488,435	331,522
Dividends	3,638,747	3,322,334

Life Assoc. of Scotland bonuses

The Life Association of Scotland, a member of the Dutch Nationale Nederlanden Group, has announced increases in its bonus rates for the year 1975. The reversionary bonus for the new compound individual series is now £4 per cent. per annum of the sum assured and existing bonuses, compared with £3.75 per cent. previously.

This new rate also applies to individual with-profit pensions business. The rate for the old series is now £4.75 per cent. of the sum assured, against £4.50 per cent.

The capital bonus rate—payable on maturities or death claims—is from January 1, 1976, to be 20 per cent. of attaching bonuses for policies taken out before October 1, 1970, and 10 per cent. for other policies, compared with 10 per cent. and nil respectively previously. This restores in full the cut made last year to these rates. This rate is also applicable to individual pension contracts.

The rates for group pensions business are fixed at £1.40 per cent. (£1.20 per cent.) under the cash bonus plan and a bonus rate of 1 per cent. on the long-term accumulation system.

The same rates of reversionary bonus apply to individual with-profit business transacted in the Republic of Ireland.

Blundell Permoglaze to improve

IN HIS ANNUAL statement, the chairman of Blundell-Permoglaze Holdings, Mr. N. G. Barrett Smith says that despite the cutback in the building industry last year, the company managed to increase its share of the available market.

This trend should continue in the current year, he tells members, and improvements in both sales and profits are budgeted for. The chairman will comment further on prospects at the AGM when four months trading will have been completed.

As forecast in the interim statement "excellent progress" was made in the second half of the year to October 31, 1975, after a disappointing first half.

As reported on January 29 with the 2.36p (2.21p) net dividend, U.K. trading profits were slightly lower at £772,962 against £797,974. Associate company profits—representing the Indian company's results—showed a sharp reduction from £222,077 to £69,818, due to the shareholding being lowered from 50.4 per cent. to 28.2 per cent., coupled with much lower levels of profit.

During the year the capital expenditure programme continued at a high level. Over the past two years it has exceeded £1m. absorbing most of the resources in existence at the start of the period. Consequently the company has taken up a ten year loan of £1m. from Finance Corporation for Industry on "satisfactory terms." A statement of source and application of funds shows a year-end increase in liquid funds of £266,000 compared with a decrease of £627,000.

In October the new water based production plant in Hull was opened: increasing substantially productive capacity as well as providing for much larger batch sizes. All the decorative production now is concentrated at Hull which is completely modernised, leaving Birmingham free for industrial paints.

A new research centre and extensions to laboratories have been completed at Hull together with an enlarged office block to house the sales headquarters previously located in London.

For some time the directors had been considering various forms of diversification and finally decided that building chemicals was an appropriate and expanding field. In April a building chemicals division was established based on a factory at Preston. The nucleus was obtained by acquiring the business of Industrial Chemical Company of Preston and a small scale activity in the same field previously operated by the Associated Portland Cement.

All these acquisitions were financed from the group's own cash resources.

Meeting, Connaught Rooms, W.C., on March 3, at noon.

BOWRING LOAN STOCK

C. T. Bowring and Co. announces that the offer to exchange the whole of its outstanding 5 per cent. Convertible Unsecured Loan Stock, 1981, for a new 10 per cent. Convertible Unsecured Loan Stock, 1987, has been accepted in respect of £24.29m. nominal of the existing stock, equivalent to approximately 95.07 per cent. The offer has closed.

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks

	Jan. 21, 1976 £m.	Change on month £m.
Eligible liabilities		
U.K. banks		
London clearing banks	19,019	+204
Scottish clearing banks	1,908	+ 22
Northern Ireland banks	488	+ 10
Accepting houses	1,504	+ 32
Other	5,529	−440
Overseas banks		
American banks	2,718	− 20
Japanese banks	154	− 14
Other overseas banks	1,620	− 49
Consortium banks	140	− 15
Total eligible liabilities*	33,081	−268
Reserve assets		
U.K. banks		
London clearing banks	2,697	+114
Scottish clearing banks	265	− 10
Northern Ireland banks	83	+ 2
Accepting houses	297	+ 33
Other	982	− 54
Overseas banks		
American banks	432	+ 11
Japanese banks	25	—
Other overseas banks	313	+ 14
Consortium banks	42	− 1
Total reserve assets	5,137	+109
Ratios %		
U.K. banks		
London clearing banks	14.2	+ 0.5
Scottish clearing banks	13.9	− 0.7
Northern Ireland banks	17.1	+ 0.1
Accepting houses	19.8	+ 1.8
Other	17.8	+ 0.4
Overseas banks		
American banks	15.9	+ 0.5
Japanese banks	16.3	+ 1.3
Other overseas banks	19.3	+ 1.4
Consortium banks	30.1	+ 2.1
Combined ratio	15.5	+ 0.4
	£m.	£m.
Constitution of total reserve assets		
Balances with Bank of England	303	− 17
Money at call:		
Discount market	1,878	+340
Other	229	—
Tax reserve certificates	—	—
U.K., Northern Ireland Treasury Bills	1,470	−366
Other bills:		
Local authority	67	− 49
Commercial	537	+ 23
British Government stocks with one year or less to final maturity	653	+178
Other	—	—
Total reserve assets	5,137	+109
	£m.	£m.
N.B.—*Government stock holdings with more than one year but less than 18 months to final maturity amounted to*	253	−249
2—Finance houses		
Eligible liabilities	256	+ 6
Reserve assets	31.7	+ 5.7
Ratio (%)	12.4	+ 1.9

Special deposits at January 21 were £647m. (down £326m.) for banks and £5m. (down £3m.) for finance houses.

* Interest-bearing eligible liabilities were £22,525m. (down £244m.).

...ENT ISSUES

EQUITIES

Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −	Div. Pay Amount	Times covered	Gross Yield	P.E. Ratio
—	540	490	Ang.Am.Coal Corp.50c	490	......	MQ58c	2.8	4.0	—
—	$125¼	$121¼	Brazil Fund S.A.	$121¼	......	—	—	—	—
—	$10,500	$10,500	Brazilvest S.A.$	$10,500	......	—	—	—	—
—	£43	£22¾	Hughes Tool $1	£40	+¼	Q40c	—	0.5	—

FIXED INTEREST STOCKS

Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price	+ or −
7/4	100	96	Arbuthnot Lath. 9% Conv. Uns. 1986	100	......
19/3	134	128	Bowring (C.T.) 10% Conv. Uns. Loan 1987	129	−2
—	99½	99	British Gas Corporation Ltd. Notes 1981	$99	......
23/1	104½	89½	Essex Water 9% Red. Pref. 1981	102xd	......
26/6	121¼	886p	Jardine Math. 7½% Conv. Uns. 1990	£103¼	−¼
—	99½	99½	Midland Bk. FloatCap. Notes 1983	$99½	......
—	100	99¾	Norway 8¾% $ Notes 1981	100	......
5/2	107	92	Pentos 15% Conv. Uns. 1985	107	......
—	99½	99½	Royal Tst. Mort. Corp. 9¼ Deb. 1981	$99½	......
—	99½	99½	Seagram 9% Notes 1983	$99½	......
7/11	50¼p	45p	Singlo 10% Cum. Conv. Pref.	48½	......
20/2	129	110	Tenneco 10% Sterling $ Conv. 91-95	125	......

"RIGHTS" OFFERS

Latest Renunc. Date †	‡	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −
/2	1/3	29	26½	Amber Day	28	−1
.2	26.3	76	67	Armitage Shanks	67	−1½
/2	12/3	16	10½	Baker Perkins	12½pm	−½
/12	3/5	146	94	Berisford (S & W)	144	−1
/2	5/3	95	85	Brentnall Beard	86	−1
/1	20/2	44	36	Brooke Bond	40½	−½
/2	24/5	2	¾	Brown Boveri Kent	1pm	+¼
—	—	22	18	Carpet Inpul	18½pm	+½
/1	13/2	144	115	Eagle Star	138	−1
/3	20/2	76½	64¾	Fairey	75½	−½
/2	20/2	80	75	Green's Economisers	77	−5
/1	12/3	70	60½	Lake & Elliot	64	......
/2	16/3	10	5	Liner Concrete Machinery	5pm	......
—	—	10	8¼	Lloyd (F.H.)	9¼pm	......
/1	13/2	302	270	Nat. Bank of Aust.	280	−5
/2	19/3	35	24½	Ocean Transport	24½pm	−½
/1	13/2	80	64½	Plessey	77	......
/2	25/5	27	24	Stonehouse Hldgs.	24½pm	......
/2	24/3	12	10	Strong & Fisher	11pm	......
/2	2/4	14	12½	Tomkins (F.H.)	12¼	......
—	—	33	25	Wolseley-Hughes	25pm	−5

...n date usually last day for dealing free of stamp duty. a Placing ... b Figures based on prospectus estimate. d Dividend rate paid or ...rt capital, cover based on dividend on full capital. p*** Pence ...e indicated. u Forecast dividend: cover based on previous year's ...igures based on prospectus or other official estimate for 1976. ...med. ‡ Cover allows for conversion of shares not now ranking ... or ranking only for restricted dividends. ** Issued by tender. ...olders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ✝ Rights ...italisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in ... reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to ...nce holders. ‡ Allotment letters (or fully-paid). † Provisional or ...ment letters. ≠ With warrants.

London Clearing Banks' balances

at January 21, 1976

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

	Total outstanding £m.	Total outstanding £m.	Change on month £m.	Change on month £m.
LIABILITIES				
Sterling deposits:				
U.K. banking system	2,488		−115	
Other U.K. residents	22,831		+230	
Overseas residents	1,657		+ 53	
Certificates of deposit	1,540		− 23	
		28,516		+145
of which: Sight		10,521		+ 48
Time (inc. CD's)		17,995		+ 97
Foreign currency deposits:				
U.K. banking system	2,535		− 5	
Other U.K. residents	563		− 86	
Overseas residents	7,037		− 20	
Certificates of deposit	1,055		− 6	
		11,190		−117
Total deposits		39,706		+ 28
Other liabilities		6,480		+336
TOTAL LIABILITIES		46,186		+364
ASSETS				
Sterling				
Notes, coin and balances with Bank of England		1,006		−103
Market loans:				
Discount market	1,851		+574	
U.K. banks	3,955		−505*(−252)	
Certificates of deposit held	583		− 11	
Local authorities	1,232		+ 65	
Other	381		+ 11	
		8,002		+134
Bills:				
Treasury bills	912		−291	
Other bills	389		− 92	
		1,301		−383
Special deposits with Bank of England		440		−227
Investments:				
British Government stocks	1,942		+102	
Other	1,007		+ 2	
		2,949		+104
Advances:				
U.K. private sector	14,260		+710*(+457)	
U.K. public sector	228		+ 47	
Overseas residents	1,899		+ 1	
		16,387		+758
Other sterling assets		4,288		+233
Foreign currencies				
Market loans:				
U.K. banks and discount market	2,593		− 61	
Certificates of deposit held	210		− 11	
Other	3,756		−107	
		6,559		−179
Bills		43		+ 8
Advances:				
U.K. private sector	1,507		+ 76	
U.K. public sector	853		+ 1	
Overseas residents	2,129		− 50	
		4,489		+ 27
Other foreign currency assets		316		− 8
TOTAL ASSETS		46,186		+364
Acceptances		246		+ 8

* These movements partly reflect a change in the statistical treatment of First National Finance Corporation from a listed bank to the private sector. The figures in parentheses show the adjusted changes after allowing for a switch of 253 on this account.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	• NATIONAL WESTMINSTER Outstanding £m.	• NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
LIABILITIES												
Total deposits	39,706	+ 28	10,604	+ 46	7,439	− 19	7,854	+ 16	12,354	+ 24	1,455	− 29
ASSETS												
Cash and balances with Bank of England	1,006	−103	299	− 36	181	− 25	212	− 34	294	− 3	20	− 5
Market loans:												
U.K. banks and discount market	8,399	+ 8	1,838	− 76	1,966	+ 6	1,465	− 27	2,842	+102	288	+ 3
Other	6,162	− 53	1,453	+ 23	1,348	+ 7	1,094	+ 24	1,990	− 88	277	− 19
Bills	1,550	−375	577	+ 4	253	−137	412	− 43	263	−181	45	− 18
Special deposits with Bank of England	440	−227	137	− 66	67	− 40	88	− 15	135	− 68	13	− 8
British Government stocks	1,942	+102	477	+ 16	462	+ 9	384	+ 33	592	+ 45	27	− 1
Advances	20,876	+785	6,025	+261	3,207	+106	4,316	+153	6,479	+257	849	+ 8

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)	TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GLYN'S	
Eligible liabilities	18,912	+208	5,979	+ 81	2,844	—	4,093	+ 36	5,395	+120	601	− 29
Reserve assets	2,682	+115	911	+119	397	− 21	553	− 5	710	+ 27	81	− 5
Reserve ratio (%)	14.2	+ 0.5	15.2	+ 1.8	14.0	− 0.7	13.5	− 0.3	13.7	+ 0.2	13.5	− 0.1

"Imps" recovers and turns in £106m.

FROM SALES £474.8m. ahead at £2.35bn., the Imperial Group has expanded its profit before tax from £73.5m. to £106.8m. in the year ended October 31, 1975.

But the directors emphasise that 1973-74 profit of £97m. was a major reversal of the steady increase shown for many years previously: so judged over the two-year period beginning November, 1973, the 1974-75 results—despite the big improvement—fell short of what was needed to counter the falling value of money.

The current year has opened satisfactorily compared with 1975 as a whole, and total volume of group business is being well maintained.

	1974-75 £000	1973-74 £000
Sales	‡2 353,744	1,875,943
Tobacco	1,400 900	1,111,700
Paper, plastics	128,300	115,400
Distributive trade	120,600	106,100
Food	405,400	259,700
Brewery	297,200	236,600
Inter-group	89,700	80,200
U.K.	2,137 500	1,748,400
Export overseas	216,200	132,500
Trading surplus	*136,873	101,001
Tobacco	75,300	59 900
Paper, plastics	7 000	10,200
Distributive	2,800	1,900
Food	20,100	7,000
Brewery	28,700	22,100
Loan stock interest	5,530	5,530
Other interest	39,131	35,318
Investment income	14,390	13,351
Profit before tax	106,802	73,594
Taxation	17,343	7,298
Deferred tax	36,600	29,567
Minorities	195	252
Net attributable	52,664	36,357
Dividend	32,530	30,482
Retained	20,100	5,900
Extra-ord. credits	57,565	†3,993

* After depreciation £29.44m. (£25.56m.). † Debits. ‡ Excluding VAT.

Year-end borrowing showed a reduction of £12.8m. to £442.5m. The primary task was to keep the closest control over cash flow, and this has been achieved despite further severe inflation and heavy increases in duties. However, it has led to the lowering of stock levels, postponement or cancellation of some new projects, and a fall in new investment.

Before extraordinary items, net earnings are given as 7.5p, compared with 5.2p, per 25p share. The dividend is raised from 4.318p to 4.608p with a final of 2.858p.

Extraordinary credits of £57.56m. have been transferred to revenue reserves. Included is the gain on the sale last May of part of the group's holding in British-American Tobacco.

The tobacco duty element in stocks and debtors at October 31 was about £149m.—equivalent to some 93 per cent. of short-term borrowings.

Capital investment was around £35m. of sales proceeds and grants. Attention was given to projects designed to maintain current levels of business, to re-inforce those parts of the group which are vital for its continued prosperity and to ensure no fall in the quality of products; "that inevitably limits the scope for expansion for the immediate future."

The major constraint on the group's ability to generate its own funds has been the Price Code, the operation of which has reduced cash available for investment and the prospect of a reasonable return on it.

Proceeds of the disposal of the BAT holding were invested in Government stocks and remain so. This gives flexibility in the short term but eventual use of the proceeds is confidently expected to be of substantial benefit.

Market value of quoted investments at October 31 was £229.3m. an increase of £91.7m. over the previous year. Market value on February 9, 1976 was £254m.

Total assets are shown at £1.22bn., against £1.09bn. Shareholders' funds were £706.3m. (£602.9m.) and operating capital £982.4m. (£943.9m.).

In the tobacco division a "belated clarification" of the price control safeguard rules together with the introduction of investment relief gave rise to higher profit margins; and profitability improved despite another heavy increase in duty. The distributive trade side's trading surplus was appreciably higher but most of the improvement went to make up ground lost in the previous year. The paper, board, packaging and plastics division had a disappointing year after its record figures in 1974; paper and board interests, affected by a world-wide decline in orders, operated at well below capacity, as did other units in the division.

Improvement on the food side was due mainly to a recovery in poultry operations in the U.K. and U.S., and would have been greater still but for the sharp setback in trawling. Beer sales were encouraging and resulted in a slight increase in Courage's market share; wines and spirits, however, were seriously affected by the recession and duty increases.

This year the tobacco division has maintained its market shares but the volume of trading at home is not currently on the increase. There are some grounds for encouragement in the paper, etc. industries, while the food side is producing satisfactory results although its trawling interests are still depressed. There has been a slight advance in beer sales but wines and spirits remain a weak market.

On inflation accounting, the directors feel that the basis of the CCA method seems the most worthwhile yet devised to show up the effects of inflation. In broad terms they estimate that a higher depreciation charge and additional charge for stock consumed would in total represent between £50m. and £70m. of the 1974-75 trading surplus of £137m.

They stress, however, that it is not possible to quantify accurately the effect of these consequences until:—separate indices are available for revaluation of plant and machinery used; up-to-date valuations of properties are available; the treatment of raw materials purchased in bulk once only in a year has been determined.

The report and accounts are expected to be posted on February 23, and the meeting will be held on March 23.

See Lex

Artagen net revenue higher: valuation cuts net worth

NET REVENUE from completed properties and investments of Artagen Properties rose £114,000 to £1.64m. in 1975.

Earnings are shown at 2.97p, against 2.76p, per 25p share, and the dividend is raised by the maximum permitted — from 1.4883625p to 1.5884p with a final of 0.8384p.

Properties have been revalued and, taking this into account, the net asset value at end-1975 was 76½p, compared with 103p when the portfolio was last revalued in 1973.

In 1975, net rental income rose £680,000 to £2.84m. Rent reviews and lease renewals have added some £490,000 to annual rent roll, of which £262,000 has accrued during the year. Further substantial increases are expected in 1976 and subsequently.

The directors decided that interest on developments in progress would only be capitalised for a maximum of six months after practical completion, in the absence of lettings. Furthermore, no interest would be capitalised in respect of sites held for future development until development started.

	1975 £000	1974 £000
Net rents	2,844	2,164
Dividends and interest	1,355	1,645
Debenture interest	1,025	780
Loan stock interest	74	74
Mortgage interest	912	786
Bank loan interest	859	686
Directors' emols., deprecn.	142	111
Overseas developments	*1,044	979
Revenue before tax	2,231	2,409
Taxation	†757	1,003
From capital reserve	‡160	139
Net earnings	1,634	1,540
Dividend	883	830
To reserves	768	710
Forward	4,018	3,250

* Estimated holding costs transferred to overseas developments. † After relief on holding costs related to overseas development amounting to £196,000 (£98,000). ‡ Estimated holding costs of U.K. developments.

A professional open market valuation of all group freeholds and leaseholds of more than 50 years unexpired shows a total of £58.68m., against a book value of £71.42m. at end-1975. A significant element (£2.98m.) in the reduced value arises from the valuations of the developments and sites at Bedford and East Grinstead, which Artagen took over in 1974 in a partially developed state, following the failure of the Lyon Group.

The only exception to this professional valuation are developments completed and investments acquired since October 1, 1975, which have a book cost of £4.09m., and short leaseholds and three small development sites which have been valued by the directors at £1.49m., representing a surplus of £1.16m. over book cost.

In Australia, Enterprise House, Melbourne, was finally finished and the sale arranged earlier in the year was completed on December 31. In France, the office development at Boulevard Macdonald, Paris, which was causing concern at the half year, was sold in September. The two sales realised £11.31m. and showed a small loss of £218,000 on cost.

The report and accounts will be posted about April 1 and the meeting held on April 28.

● comment

Artagen's share price dropped 9p yesterday to 69p and the cause of the disappointment is the extent of the drop in net assets per share since the last revaluation in December 1973. After allowing for the downvaluation of two developments taken over after the Lyon Group collapse, the write-down for the rest of the portfolio was around a seventh. A tough view was apparently taken by the valuers on the yield basis for reversing in three or four-years time. Artagen, of course, remains a very strong company with a healthy revenue account, though the discount of the shares to net worth is only a tenth. The thought for the rest of the sector is that if a revaluation by a group like Artagen with a portfolio of small to medium sized properties mainly outside central London disappoints then what figures would be shown for those companies with larger buildings concentrated in central London where values have fallen most.

M & G AUST.

The re-investment of income on M. and G. Australian and General Fund for the period to February 8, 1976, was 0.57p net per unit, compared with 0.9p net last year. The back to back loans negotiated on the Fund can cause an uneven flow of income. The fund is 75 per cent. invested in Australia, spread between natural resources, manufacturing, industrial and service stocks. The balance is invested in the Far East and South Africa.

MINING NEWS

Bougainville's lower profits and sales

BY KENNETH MARSTON, MINING EDITOR

IN LINE with other copper producers, the Rio Tinto-Zinc group's big Bougainville copper-gold mine in Papua New Guinea has suffered a fall in 1975 net earnings. They amount to Kina 46.2m. (£28.6m.) compared with K114.6m. in 1974. A final dividend is announced of 5 toea (3.1p) which makes 10 toea (6.2p) compared with the 1974 total of 27.5 Australian cents (17p).

It is stated that these earnings have been calculated on an historical accounting basis and if the figures had been adjusted for inflation real earnings would have been significantly lower. Sales of gold (575,728 ounces) and silver were lower last year but there was little change in the average prices for the precious metals.

The average price of copper, however, dropped last year to £556 per tonne from £877 in 1974. Bougainville says that as a result of the continued low demand in Japan, copper suppliers were requested to extend the cutback in shipments during 1975. The company, it is added, was able to sell the resulting surplus to other buyers but at the expense of higher charges.

However, this apparently did not prevent a fall in Bougainville's overall copper sales. The 1974 annual report puts them at 192,257 tonnes for that year whereas the latest announcement discloses that copper sales in 1975 amounted to only 169,876 tonnes. On the financial side, it is stated that outstanding loans at end-1975 amounted to K126.6m. (£78.5m.).

As far as the current year is concerned, at least it appears that despite the currently lower gold price and the inevitable pressure of mine costs, Bougainville should still be operating at a profit (copper was £585 yesterday) which is more than can be said for many other producers.

And, like the rest of the field, the mine is looking to a recovery in the copper market before the year is out. The annual report is to be posted in March and the meeting is to be held in Panguna on April 6. Bougainville is 53.6 per cent. owned by Conzinc Riotinto of Australia which, in turn is 80.7 per cent. owned by RTZ. Bougainville shares were 109p yesterday.

MOUNT NEWMAN STRIKE ENDS

The costly strike which started three weeks ago at the big Mount Newman iron ore operation in Western Australia is ending. It is reported from Perth that the strikers have voted to return to work to-morrow.

During the course of the dispute, which has been over wages and conditions, 23 ore carriers have been made idle outside the port and the company has lost production worth some $20m. (£12.4m.). Partners in Mount Newman are Broken Hill Proprietary, CSR, Amax, Mitsui, C. Itoh and Selection Trust.

Face-lift for Robe River

AN INJECTION of part of the big Australian Lang Hancock iron ore assets into the Robe River company is a new feature of the awaited $22.4m. (£13.9m.) deal whereby the Hancock family is to acquire Alan Bond's 43.5 per cent. holding in Robe River.

A letter of intent which has now been signed between the parties puts the effective acquisition price at a higher than expected $1.38 (86p) per Robe River share. Robe River has a 35 per cent. stake in the $300m. iron ore operation of the same name in which America's Cleveland Cliffs and Japan's Mitsui are the other major partners.

Robe River company's enlargement is to come from the now proposed sale to it of rights to one-third of Hancock's royalties from the Rio Tinto-Zinc group's Mount Tom Price and Paraburdoo iron ore mines together with the Hancock 25 per cent. stake in the Wittenoom iron ore joint venture (which includes the Marandoo deposit) in which Texasgulf has 50 per cent. and the Peter Wright interests have 25 per cent.

It is expected that it will take some time for the deal to be completed. Approval, for instance, is needed from the other share and debenture holders of Robe River plus the co-operation of the liquidator of Mineral Securities who sold the latter's Robe River holding to Bond on an instalment-paying basis.

Meanwhile dealings in Robe River shares remain suspended; they were last priced at $1 in Sydney and 100p in London on Friday.

PANAMA TO SIGN WITH TEXASGULF

It is reported from Panama City that before the end of this month the Panamanian Government will sign a contract with America's Texasgulf for a joint enterprise development of the huge Cerro Colorado copper deposit. This has been variously estimated to contain up to 1bn. tonnes of ore grading a low 0.61 per cent. copper and annual production could be 130,000 tonnes of copper.

A Panama State-owned corporation would have an 80 per cent. stake in the operation and Texasgulf the remaining 20 per cent. It is understood that Panama would have the right to purchase Texasgulf's stake after a period of 20 years while the company would have a management contract running for 15 years. What is unexplained, however, is who will put up the venture's capital cost which must now be upwards of $700m. (£345m.).

Meanwhile, Texasgulf has announced 1975 net income of $103.2m. (£50.8m.), or $2.77 (166p) per share compared with $147.9m. in 1974. The fall reflects reduced demand for metals and, in particular, the lower copper prices received. Texasgulf is one of the world's biggest producers of zinc, silver, sulphur and fertilisers. It also turns out significant amounts of copper, lead and cadmium. Other interests include oil, gas, tin, iron ore and forest products.

CANADIAN-IRISH DEAL CONFIRMED

Lodestar's mention on Monday that Noranda's 41 per cent.-owned Kerr Addison Mines is acquiring International Mogul's 75 per cent. interest in the Silvermines' lead-zinc operation in Tipperary is now confirmed by the last-named Irish company.

Silvermines says that the Canadian Kerr Addison is paying approximately $Can.9m. (£4.4m.) for the acquisition. This transaction, it is pointed out, in no way affects Silvermines' continuing ownership of the remaining 25 per cent. of the Irish operation. Silvermines were 60p yesterday.

TIN OUTPUTS

In the latest batch of tin concentrate outputs from the Malaysian producers, those of the Gopeng group, the January production from Tanjong is the highest for eight months but is below the 33¾ tonnes produced for the same month of 1975.

Gopeng's output makes a four-month total of 743¾ tonnes which is down on the 801¼ tonnes for the same period of 1974-75. Despite the recovery in January, Petaling's three-month total of 252½ tonnes is substantially lower than the 378¾ tonnes for the same period of the previous year. The outputs are detailed in the following table.

	Jan. Tonnes	Dec. Tonnes	Nov. Tonnes
Gopeng	189½	196¼	175¾
Tanjong	25½	21½	19½
Idris	31½	32	31¼
Pengkalen	16	12	14½
Petaling	80	64	108½

MINING BRIEFS

EMPEROR MINES—Total ore mined and milled in the 13 weeks to December 30 was 55,321 tons (59,251) to produce 307,344 grams of gold (327,038) and 287,608 grams of silver (212,655).

ANGLO AMERICAN CORPORATION—Coal division sales outputs for January: South Africa—Bituminous: Amalgamated Collieries of SA 457,207. Anglo Power Collieries 549,237. Bleshok 32,402. Coronation 157,051. New Largo 90,704. SA Coal Estates (Witbank) 163,916. Springbok 135,345. Vierfontein 98,299. Vryheid Coronation 65,187. Coke 40,837. Zululand Natal's Indumeni Colliery (coking coal) 30,092. Anthracite: Natal Anthracite 41,390. Balgray 20,804. Rhodesia: Wankie Colliery 237,735. Coke 9,913. Swaziland: Swaziland Collieries (Mpaka mine) 10,354. Botswana: Morupule Colliery 12,036. Group grand total: 2,113,509 (December: 1,934,761).

BIDS AND DEALS

P & O nearing agreement on deal with Swire Pacific

P & O, the major shipping group, is nearing agreement in negotiations for a £3.7m. deal to sell off the bulk of its shareholding in Cathay Holdings, the company which controls Cathay Pacific Airways, the Asian commercial airline.

The prospective buyer is Swire Pacific, of Hong Kong, with which P & O has been talking on the subject for some time.

A joint statement yesterday said it appeared possible that agreement would shortly be reached for the purchase by Swire Pacific for cash of 60 per cent. of P & O's 31 per cent. shareholding in Cathay Holdings.

Swire Pacific last year purchased a controlling holding in Cathay Holdings for $16.4m. (£8.3m.). This included a 31 per cent. interest—the same size as P & O's present holding in Cathay—acquired from Ocean Transport and Trading.

A spokesman for P & O said last night the deal would be part of a tidying-up process of disposing of portfolio investments.

BAINBRIDGE EXPANDS

Bainbridge Bros. (Engineers) has acquired 61 per cent. of the issued share capital of Spheric Engineering, a private company based in Crawley, Sussex, for £31,500 to be satisfied by the issue of 121,154 Ordinary shares. Subject to average pre-tax earnings of Spheric in the two years ending March 31, 1978, being not less than £60,000, Bainbridge has agreed to sell to the executive directors of Spheric sufficient shares to reduce its own holding to 50 per cent. (but not less).

Consideration for this transfer will be the same price per share as Bainbridge paid for its initial holding.

Profits of Spheric in the year 1974-75 were £15,768 and net assets totalled £36,784.

ANGLO-ECUADORIAN

Clyde Petroleum offer for the issued share capital of Anglo-Ecuadorian Oilfields has been declared unconditional; all the conditions having been satisfied. Holders of 7.49m. Anglo Ordinary shares (83.28 per cent.) accepted. The offer remains open.

ESTEX JOINS BTR

BTR, the international rubber, plastics and engineering group, has acquired a controlling interest in Estex, of Wellington, Somerset, specialist manufacturers and converters of plastics film. Estex will have a turnover this year approaching £½m., and further expansion will be implemented with BTR support, it is stated. Mr. Roy Stilton, founder of Estex, remains chairman and managing director, and Mr. R. Hussey and Mr. C. Albu, representing BTR, join the Board.

STONERS TIMBER

Ownership of Stoners Timber Buildings, the Crawley timber construction company, has changed hands with its purchase by Mr. John Blomfield and Gallic Shipping. The previous owners, Mr. I. G. Coates Stephens and Mr. W. F. Dauncey are selling the company to devote more time to other interests, but Mr. Coates Stephens will remain a director.

ASSOCIATE DEAL

Josias Cunningham, Belfast brokers, bought 4,350 Thompson-Reid on behalf of an associate.

GEORGE EWER

George Ewer and Company has acquired the capital of Dix Luxury Coaches, which operates 11 coaches and a travel agency in Dagenham, Essex.

Net tangible assets acquired based on the balance sheet at January 31, 1975, were £43,300. Consideration for the purchase was 131,430 Ewer shares plus £1,010 cash.

SHARE STAKES

MPI—Mr. R. A. Shucks holding is 2,610,000 Ordinary shares (19.46 per cent.). This follows his acquisition of 240,000 shares and disposal of 500,000.

Pauls and Whites—Wood Hall Trust has bought a further 100,000 Ordinary bringing its total holding to 5,019,497 shares (26.32 per cent.).

Hume Holdings—Rothschild Investment Trust has acquired a further 25,000 "A" Ordinary and 25,000 "B" Ordinary shares, raising its aggregate holding to 5,916,979 "A" and 47,668 "B" (in aggregate 26.45 per cent.).

Marshall Cavendish announces that Wren Trust has reduced its holding in the company to 3,170,439 Ordinary shares.

London and Manchester Assurance has increased its holding of 8½ per cent. Pref shares in Initial Services to 93,500 (23,375 per cent.).

Guinness Mahon has increased its holding in Greencoat Properties by 115,000 Ordinary shares to 15,133,794.

Mr. V. H. Stedeford and Mr. G. D. Pickering have reduced their holding in H. T. Investments to 120,550 Ordinary shares, less than 10 per cent. of the capital.

Mr. J. D. Lerner has bought a further 2,500 Ordinary shares in Johnson and Barnes to make total holding 956,500 shares (49.8 per cent.).

APPOINTMENTS

Sir George Bishop joins Ranks Hov

Sir George Bishop

Sir George Bishop, chairman of Booker McConnell, has been appointed a director of RANKS HOVIS McDOUGALL. Before joining the Board of Booker McConnell in 1961, Sir George was in the Civil Service. For many years he was in the Ministry of Food where he was appointed under-secretary in 1949 and ten years later a deputy-secretary in the Ministry of Agriculture, Fisheries and Food. In 1957 he was elected chairman of the International Sugar Council and in 1959 vice-chairman of the International Wheat Council. He served as chairman of the West India Committee from 1969 to 1971.

★

Mr. David Stark has been appointed managing director of BESTOBELL SEALS, a member of the Bestobell group.

★

Mr. Bernard F. Combemale has been elected senior vice president of INA CORPORATION responsible for the company's international operations.

★

Mr. J. Dundas Hamilton, deputy chairman of the Stock Exchange, has been appointed a second deputy chairman of the COMMITTEE ON INVISIBLE EXPORTS, in addition to Sir Richard Powell who has been deputy chairman since the formation of the Committee in 1968. This appointment is to take place with effect from February 16.

★

Mrs. Ronald Hynd has been appointed to the ARTS COUNCIL OF GREAT BRITAIN, for a term of three years until December 31, 1978. As Annette Page, Mrs. Hynd was a ballerina of the Royal Ballet from 1959 to 1967. She has been a member of the Arts Council Sub-committee on Dance and the Theatre.

★

Mr. Philip Jevons has been elected deputy chairman of the RUDOLF WOLFF GROUP. Mr. Francis Holford, the present company secretary, has been elected managing director of the group. Rudolf Wolff's Cane holder, Noranda appointed Mr. Jevon consultant.

★

Mr. A. R. M. Aldwa appointed managing BARCLAYS NATION succeed Mr. F. R. Dol be returning to Lo latter part of the yea an appointment wi Bank International. has spent his entire the Barclays Group sident of Barclays B York, where he spen before appointment t post as a general Barclays National B

★

Dr. M. D. Marais w the Board of METAL GROUP from March chairman of its subs in South Africa

★

Professor Lionel been appointed Design at the OPEN

★

Professor Christo has been appointed the CENTRE FOR MENTAL STUDIES Professor David Don become chairman of mentary Benefits Co

★

De Beers Consol states that Mr. J. zie, who is general the Consolidated Di of South West Afr liquish his appoint end of May on Johannesburg where up the position of d cal director (eng ANGLO AMERICAN TION OF SOUTH AF ing the retirement June of Mr. A. W Mr. J. O. Richards, manager of the Sw Ore Development, appointed general CDM on Mr. Ma parture.

★

Mr. Pentti Koivis appointed an associa NORDIC BANK.

★

Mr. Tom Killefer president of the UN TRUST COMPANY on April 1. Mr. present executive finance, general co director of Chrysler To take up the post he has elected ear on that date from h executive vice-pr Chrysler. Mr. T. R the Trust Company vestment officer an of its Board, has bee chairman from April

★

Mr. Kenneth Tre Patrick Scott have be to the Board of CASING CREWS, Christian Salvesen Mr. Trott, who managing director Offshore Drilling. managing director shore Services. marketing manager Salvesen (Oil Servic

Management change EMI music interests

EMI has made the following re-organisation of management responsibilities covering group music interests to come into effect from March 1.

Mr. L. G. Wood, a member of the parent Board and chairman of EMI Records, remains in control of the group's music business throughout the world, outside North America and Japan.

Mr. Gerry Oord becomes director of group repertoire and promotion with special responsibilities for artists and repertoire, including third part in all territories, exc America and Japan. also been made dep of EMI Records, and ceeded by Mr. Le managing director pany. Mr. Hill will charge as director record operations.

Mr. Roy Featherst as deputy managing EMI Records and is Boards of Music for World Records.

هكذا صدر الأصل

ᴧnother successful year or Daimler-Benz

GUY HAWTIN FRANKFURT, Feb. 10.

ER-BENZ, the West cars and commercial manufacturer, has another successful year the world recession. rowth was perhaps not as as at BMW—the quality car builder ported yesterday—group showed a solidly based of 23.3 per cent.

iminary statement on the usiness year said that turnover had risen from DM16.9bn. to DM20.8bn. imes more than 1965's . Despite the difficulties years 1974/75, Daimler- further consolidated its

1975, capacity had been lised and there had been for short-time working ffs. Rapidly changing s in various markets e course of the year had considerable flexibility production and business s, said the report.

er of the West German perations—Daimler-Benz mag-Henschel Fahrzeug- vent up by 20.7 per cent. 1974's DM14.2bn. to . The key sources of ere sales of private cars me market and exports ercial vehicles, particu- he Middle East.

kdown of figures for 's domestic operations shows turnover in the motor car sector up from 1974's DM7.3bn. to DM7.9bn. and a rise in commercial vehicle sector of DM2.2bn., bringing turnover to DM8.6bn. Sundry turnover—generated by engine sales and repairs—rose from DM500m. to DM600m.

Within the Federal Republic turnover went up by 24.3 per cent. to DM8.9bn. while exports rose by 17.1 per cent. to DM8.2bn. As a result, exports as a proportion of cash sales declined slightly from 49.3 per cent. to 47.8 per cent.

Output in the private car sector went up by 3 per cent. to 350,098 units, with most of the increase coming from middle range models. Against this, private car registrations in the home market forged ahead by 12.3 per cent. to 190,537 units—10.4 per cent. above the record level of 1973. The report comments that since 1965, car-making capacity in the group has virtually doubled compared with the average 6 per cent. growth for the period registered by the industry as a whole.

Domestic production of commercial vehicles went up by 11 per cent. to 180,005 units. Growth came largely in the heavy vehicle class where production had doubled over the past two years. Output of the group's subsidiaries in Brazil or the Argentine had risen by 12.2 per cent. to 49,298 vehicles.

Because of strong home demand, export deliveries of cars had declined from the previous year's 171,828 to 159,415. This, however, was well above the 1973 export total of 152,635. Domestic sales of commercial vehicles rose by 21.8 per cent. to 67,166 units, but, as with other commercial vehicle manufacturers, even this increase failed to bring sales back to the pre-recessionary levels.

Investment in 1975 totalled DM1bn. compared with DM800m. the previous year. Of this some DM800m.—compared with 1974's DM703m.—was invested within the federal republic. Research and development efforts were aimed largely at giving the customer better value for money, improving car safety and environmental protection. Research was also going on into new energy systems utilising hydrogen, natural gas and electricity.

While no figure was put on earnings, the report said that profits would exceed the 1974 level. It was thought that they would return to about the level of 1973 when the parent company's net profits totalled DM277m. — compared with DM269m. a year later. The satisfactory earnings position was a direct result of the substantial increase in turnover.

·enstein und Koppel recovery

JY HAWTIN

EIN und Koppel, the nund-based engineering building group have urprise recovery in the alf of 1975. Despite redictions at the end of alf, the year's turnover about 10 per cent. to

good news for O und lders who were glumly rward to a second poor row. In 1974, turnover 4 per cent. to DM ile net profits dropped 973's DM10.1m. to

last year, the concern's statement, which pro- dividend cut from 14 to 10 per cent., predic- a 4 per cent. growth 975. This was ascribed fficult situation facing rcle of clients as well ompetition in its area ions.

r, last year produced in turnover, particularly onstruction machinery ut also in ship and onstruction as well as p's escalator-making branch. Exports as a proportion of turnover rose from the previous year's 48 per cent. to 50 per cent.

Incoming orders rose at less than half the 1974 rate of 38 per cent. However, orders were booked worth DM1.06bn., 16 per cent. up on the previous year's DM912m. Foreign orders accounted for only 42 per cent. of the inflow compared with 61 per cent. in 1975.

The order book went up by 47 per cent. from DM638m. to DM937m. by the year-end, although the proportion accounted for by exports slipped black from 71 per cent. to 55 per cent. The labour force declined over the year by 2 per cent. to 8,515 employees.

Kloeckner sales down

BY GUY HAWTIN FRANKFURT, Feb. 10

FIRST QUARTER results from Kloeckner-Werke for the 1975/76 business year shows total external turnover a full 19 per cent. below the level of the same period of the 12 months. However, the steel and engineering group believes that the figures show demand is on the upward path.

Total external turnover from October to December 1975 amounted to DM228.4m. compared with DM282.1m. in the first quarter of 1974/75. But the group points out that in October to December of 1974 demand was still relatively good although even at that time it was tailing off.

Results in the latter three quarters of 1974/75 showed a continuing decline until the extraordinarily bad " July to September 1975 period. However, the first quarter of the new business year saw a major improvement in performance. Orders went up by a third during the three months, said Kloeckner, and earnings also improved.

ajor Swiss placement ɔorted for Shell

RY CAMPBELL

s already arranged a m. (about $39m.), cement in Switzerland, al banking sources yesterday. Any plans ve for a Sw.Frs.500m. 4m.) placement would tion to this, they said.

een widely mooted in that Shell is contem- ising sums in the $500m.

ivate placements can ficially be confirmed Swiss Central Bank sclosure of the cate- nformation. This is or domestic political ut also because the ank requires imme- ersion of Swiss franc into foreign curren- t does not like the oncerned to become owledge. In this case neither Shell nor the Swiss bank reported to be arranging the deals will comment.

However, market sources suggest that the Sw.Frs.100m. placement has been offered at a 7¾ per cent. coupon on an 11 year maturity. But the terms of the proposed Sw.Frs.500m. placement may not yet have been finally decided.

There have been reports that the latter would offer 7 per cent. on an average life of 10 years, but at least part of it may be for a shorter maturity.

In any event, the placement is mainly remarkable for its size. This would set a record, it is believed, for a borrowing on the Swiss capital market by a foreign institution.

Last year, when market conditions were more difficult than usual, Sw.Frs.100m. was the normal maximum for private placements on the Swiss market. Conditions had been easier in earlier years—the British Gas Corporation, for example, raised a Sw.Frs.200m. placement a few years ago—but not to the extent of providing Sw.Frs500m. in one financing.

Kawasaki Steel is planning a Sw.Frs.100m. convertible issue in Switzerland, Reuter reports from Tokyo. European banking sources suggested that this too might be a private placement.

Elsewhere in bond markets, the Asian Development Bank is raising DM100m. in the form of an 8 per cent. six year issue in Frankfurt, Deutsche Bank has announced as lead manager. Svenska Handelsbanken's $30m. 9¾ per cent. issue has been priced at 99. Cie Nationale du Rhone is to float a Sw.Frs.80m. 7 per cent. public issue on the Swiss capital market.

terpillar mixed sales prospects

PEORIA, ILLINOIS, Feb. 10.

LAR Tractor Com- cted to-day that 1976 year of mixed sales or the company but there should be a ease in the physical sales if sufficient as achieved in the of the industrialised

increase, plus the rice increases made 1975 and any in- at might become 1976, could produce solidated sales than ed for 1975, the com- n its annual report ders.

placing

said it is making ts to place 20m. astern Asia Naviga- wned by Loan and Co.

ng, which represents per cent. of Eastern m. issued shares, is all of Loan and holding in Eastern L.

added that the pro- placing, which would about HK$100m. sed to expand Loan ent's direct invest- oping.

Pao is chairman of and Investment and Navigation.

x scrip

plans a free share g from January 1, roposes to maintain vidend at the 1974 level, according to company president, Jean Mantelet.

The company paid a Frs.4 total dividend for 1974 on capital increased by a free share issue to Frs.78.97m. (Frs.67.69m.).

Mantelet added that net profits before the employees share participation are expected to be around Frs.63m.-65m. for 1975, up from Frs. 42.5m. in 1974.

Operating profits in 1975 are estimated at Frs.200m.-203m. (Frs.175m. in 1974) with depreciation around Frs.81m. (Frs.76m).

Paribas payout

PARIBAS PLANS to pay a sharply higher dividend for 1975, chairman Jacques Fouchier told an investment conference. For 1974, it paid a total Frs.16.50.

Group net profits are expected to be slightly above Frs.430m. (Frs.310m.).

Banking revenues will account for 58 per cent. of 1975 profits (42.5 per cent.) and portfolio revenues 42 per cent. (57.5 per cent.).

Industrial investments are not included in the consolidated profits. He added that the average annual growth rate in profits since 1968 has been 13 per cent.

Break up value of the company was around Frs.370 per share at end 1975 (Frs.333).

Robeco assets

ROBECO has proposed a 1975 final dividend of Fls.5.20 in cash (same) or, alternatively, 3½ per cent. (same) in stock.

Earlier the Dutch investment fund paid an interim dividend of Fls.7.40 (same), so the total 1975 payment in cash is an unchanged Fls.12.60.

The fund's net assets (after distribution of profits) rose to Fls.4bn. in the year from Fls.2.8bn. at end-1974.

The net asset value per share rose to Fls.188 from Fls. 141 on 226m. of shares outstanding (207m). Reuter

Creditors want Grant dissolved

NEW YORK, Feb. 10.

W. T. GRANT COMPANY said that it has been informed by the official creditors committee that the committee has determined by a unanimous vote, that it is in the best interests of all creditors that proceedings be instituted seeking the adjudication of W. T. Grant Company as a bankrupt.

From Washington, the Securities Exchange Commission said it has temporarily suspended trading in all securities of W. T. Grant for ten days.

The Commission said it initiated the suspension pending clarification of the status of the debtor in a Chapter 11 proceeding. Reuter

Sales fall for Boeing in 1976

By Michael Donne

BOEING, the world's biggest jet airliner manufacturer, expects sales in the current year to be slightly below the 1975 level of $1.4bn.

The company will be aiming its sales attack at overseas markets, especially the Middle East, Europe, South America and Africa, while "we might sell some jets to Eastern bloc countries," according to Mr. E. H. Boullioun, president of Boeing.

He said he expected the 1976 order book to be about the same level as 1975, when the company sold ten long-range 747s, nine 707s, 50 medium-range 727s, and 35 short-haul 737s.

Current Boeing jet production is running at a rate of about 11 aircraft a month, but this rate is kept under constant review and can be varied quickly to meet changes in the market.

Mr. Boullioun does not expect to make many new sales in the U.S. this year, because of continuing economic problems of the U.S. domestic air transport industry. Although he is confident that eventually the U.S. airlines will resume jet buying, it is not likely to be soon.

Mr. Boullioun, says that work on the Boeing plan for the next generation of medium-range jet airliners is still under way.

Boeing still sees 1981 as the target date for airline service, which means a "kick-off" by 1977 at the latest.

The company intends to continue discussions with other countries on the possibility of international collaboration on the programme, including the UK, France and Germany.

"There will be continuing discussions on this subject this year. The French are visiting Seattle next month, and I will be going there at the end of the month."

Mr. Boullioun is under no illusions about the strength of the competition, which he says is "going to be stiff."

Cessna and Beech well ahead

By Michael Donne, Aerospace Correspondent

CONTINUING strength in the business aircraft market in the U.S. is one of the main factors behind improved first-quarter results for both Cessna and Beech, two of the "big three" U.S. light aircraft manufacturers (the other being Piper Aircraft).

Cessna Aircraft Company reports profits after tax for the first quarter of the 1976 financial year, ended December 31, 1975, of nearly $5.54m., against $3.25m. for the comparable period a year earlier.

Beech Aircraft Corporation reports profits after tax for the first quarter of the 1976 financial year, also ended December 31, at $5.32m. against $3.49m. a year earlier.

Beech says that with both commercial and defence/aerospace backlogs at high levels, it is forecasting fiscal 1976 sales to be in the $320m.-$335m. range, "and expect to improve net income as a per cent. of sales over the 5.8 per cent. achieved in fiscal 1975."

Beech says that continued growth is anticipated for "general aviation" (light aircraft including business aircraft) during 1976. "Industry forecasts are predicting shipments of approximately 15,000 units (aircraft) and sales of $1.2bn.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102¾	103¼
Ashland 8pc 1987	93½	94½
Austrasuriss 8pc 1987	93	94
Borregaard 8½pc 1989	96½	97½
Broken Hill 10pc 1990	104¼	105¼
Carrier 8pc 1987	92½	93½
Conoco 8pc 1986	99¼	100¼
Consd. Foods 7½pc 1991	91	92
Cutler Hammer 8pc 1987	93	94
EIB 9½pc 1985	101½	102½
ERAP 9½pc 1985	101¼	102¼
Esso 8pc 1986 Nov.	100½	101½
General Cable 8½pc 1987	91	92
General Motors 8½pc 1986	103½	104½
Granges 9½pc 1985	99½	100½
GTE 8½pc 1986	97½	98½
New Zealand 9½pc 1982	102½	103½
Pacific Light 8pc 1988	94½	95½
Prov. of Quebec 7½pc 1989	88½	89½
Quebec Hydro 8½pc 1989	99	100
Queensland 8½pc 1987	92½	93½
Scanraff 8½pc 1988	98½	99½
Shell 8pc 1986	99½	100½
Stand. Oil (Ind.) 8½pc 1988	100½	101½
Tenneco 7½pc 1987	90½	91½
Transocean 8pc 1988	99½	100½
Utah 8pc 1987	95½	96½
Volvo 8½pc 1985	101½	102½
NOTES		
Air France 9½pc 1982	101½	102½
Ardal 9½pc 1980	101½	102½
Aust. Ind. Dev. 10½pc 1981	103½	104½
Barclays 9½pc 1982	100½	101½
Cie. Ntl. du Rhone 10pc '83	103½	104½
Du Pont 7½pc 1978	101½	102½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1978	100½	101½
Montreal 8½pc 1981	101½	102½
Nippon Steel 9½pc 1980	102½	103½
Norway 9pc 1980	102	103
Skand. Enskilda 10½pc 1981	103½	104½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	87	89
Ashland 5pc 1988	82	84
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4½pc 1992	103	105
Borden 5pc 1992	94	96
Broadway Hale 4½pc 1987	75	77
Canon Camera 7½pc 1989	104	106
Carnation 4pc 1987	82	84
Chevron 5pc 1988	101	103
Dart 4¾pc 1987	88	90
Eastman Kodak 4½pc 1988	119	121
Economic Labs. 4½pc 1987	82	84
Eidai 7½pc 1989	83	87
Fed. Dept. Stores 4½pc '85	127	129
Firestone 5pc 1988	92½	94½
Ford 6pc 1986	92½	94½
Ford 5pc 1988	81	83
General Electric 4¼pc 1987	87	89
Gillette 4¾pc 1987	78	80
Gould 5pc 1987	88	90
Gulf and Western 5pc 1988	93	95
Harris 5pc 1992	77	79
Honeywell 6pc 1986	83	85
ITT 4½pc 1987	71	73
Komatsu 7½pc 1990	106	107½
J. Ray McDermott 4¾pc '87	121	123
Mitsui 7½pc 1990	106½	108
J. P. Morgan 4¾pc 1987	115	117
Nabisco 5½pc 1988	95	97
Owens Illinois 4½pc 1987	98	100
J. C. Penney 4½pc 1987	83	85
Pioneer 6½pc 1989	212	217
Rank 4½pc 1993	49	51
Revlon 4½pc 1987	100	102
Sperry Rand 4¼pc 1987	96½	98½
Squibb 4¼pc 1987	84	86
Texaco 4½pc 1988	74½	76½
Toshiba 6½pc 1990	102½	104
Union Carbide 4½pc 1982	121	123
Warner Lambert 4½pc 1987	85	87
Warner Lambert 4½pc 1988	81	83
Xerox 5pc 1988	75½	77½

Source: Kidder, Peabody Securities.

Hongkong and Shanghai shows second half recovery

BY PHILIP BOWRING HONG KONG, Feb. 10.

UNCONSOLIDATED profits of the Hongkong and Shanghai Banking Corporation last year (to end-December) rose $HK34m. to $HK312m. The bank said that consolidated profits were provisionally estimated at $HK328m. compared with $HK301m. the previous year.

As the bank does not disclose true profits and as it has banking subsidiaries, notably Hang Seng Bank and British Bank of the Middle East, which also do not make full disclosure, only general significance can be read into the figures. The unconsolidated figures for example are roughly in line with the 11.7 per cent. increase shown for 1975 by the Hang Seng bank. Estimated consolidated figures show a substantially smaller rise. There are numerous possible explanations for this, but in view of the bank's secrecy, discussion of them amounts to little more than speculation.

The final dividend for the year is 42 cents making a total of 58 cents. This is an increase in the payout on the previous year but it has not kept pace with the one-for-four scrip issue made last year, prior to which dividends totalled 65 cents a share.

Nonetheless, the bank is proposing a further scrip issue, this time a one-for-ten issue, capitalising $HK86.7m. The bank envisages that dividends on the increased capital will be maintained.

The results overall must be considered satisfactory, since at the interim stage, the bank reported earnings marginally down on the preceding year. Whether the stock market will be satisfied remains to be seen, in view of the fairly bullish expectations in recent weeks. Disappointment may centre around the size of the scrip issue, which many investors, anticipating improved economic circumstances in 1976, may have expected to be bigger. Scrip issues still have a following in Hong Kong, and one which leading companies, including the bank have done little to discourage.

Marubeni rescuing Ryutsu

BY CHARLES SMITH TOKYO, Feb. 10.

A SMALL Japanese shipping concern, which has built up potentially vast debts through over-investment in tanker operating and chartering has been rescued by its principal shareholder and creditor, Marubeni Corporation.

The company, Ryutsu Shipping, is said to owe "in theory" a total of Yen 55bn. on ships it is currently operating, together with another Yen 40bn. in payments falling due on ships under order.

Ryutsu has a tanker fleet of 12 ships including some ULCCs and VLCs but has been overwhelmed by the world shipping recession. The company has depended mainly on trading company finance for its expansion rather than on commercial bank finance.

A spokesman for Marubeni said to-day that Marubeni would be taking over direct operation of Ryutsu and hoped to arrange for the "transfer" of some of the ships Ryutsu has on order to other owners. Other trading companies among Ryutsu's creditors have been persuaded to extend repayment periods or to withhold interest charges.

Marubeni holds 40 per cent of the share capital of Ryutsu and another 30 per cent. is held by Nippon Tsuun (Japan Express).

Meiji Mutual Hawaii deal

HONLULU, Feb. 10.

MEIJI MUTUAL Life became the first Japanese insurance company to enter the U.S. market with an agreement to buy a majority interest in Pacific Guardian Life Insurance Company of Hawaii, a joint announcement said.

Meiji Mutual, Japan's oldest and fourth-largest insurance company, has agreed to buy 63 per cent. of Pacific Guardian Life from LTH, formerly known as Hawaii Thrift and Loan, according to the statement.

The remaining 37 per cent. of Pacific Guardian is owned by 3,230 shareholders, mostly Hawaii residents. The purchase price for the 385,997 shares was not disclosed.

LTH is the corporate shell of Hawaii Thrift and Loan, which ran into financial trouble and was reorganised last year by First Hawaiian Bank which acquired all assets and liabilities.

U.S. law, however, prevented acquisition of the Pacific Guardian stock held by Hawaii Thrift, so a pledge trust was established until the stock could be sold and the LTH shareholders were given the proceeds, a spokesman said.

Pacific Guardian was organised in 1962 and has become the second-largest insurance company based in Hawaii, in total assets.

It has activities in 13 western States of the United States and also serves Guam, the U.S. trust territory of the Pacific and Hong Kong, according to the statement.

Meiji Mutual, founded nearly a century ago, has total assets of $3.2bn., and ranks as the world's ninth largest life insurance company, the statement said.

Although several major U.S. insurance companies currently serve Japan, Meiji Mutual will become the first Japanese life insurance company to invest in a U.S. insurance company, the statement said.

There are no staff changes planned at Pacific Guardian with the acquisition, and Meiji officials said they intend to support the Hawaii company in developing its long-term expansion programmes. AP-DJ

Philip Morris boost

BY JAMES FORTH SYDNEY, Feb. 10.

PHILIP MORRIS (Australia), the listed offshoot of Philip Morris of the U.S., boosted earnings by 53 per cent. in the December half year, from $A8.15m. to $A12.5m. The increase came from higher sales in both of the company's areas of operations, cigarettes and wine.

The profit improvement easily outstrips group sales which rose by 19.4 per cent. from $A145m. to $A173m. The interim dividend is held at 15 cents a share but is payable on capital increased by December's one-for-three scrip issue.

The profit was after tax of $A9.5m. (previous year $A6.25m.) and depreciation of $A1.87m. ($A1.74m.).

The improvement in the latest half is a much better performance than in 1974-75, when earnings rose by less than five per cent. on a sales increase of 24 per cent. Judging by the first half results, the company should improve on the record earnings for the full 1974-75 year of $A17.7m.

Growth at Goodyear Tire

Financial Times Reporter

FOURTH quarter net earnings for Goodyear Tire and Rubber were 45 cents compared with 35 cents for the corresponding period a year ago. The total net earnings figure was $32.3m ($25.5m.), and sales were $1.4bn. Sales for the corresponding period last year were $1.36bn.

Earnings per share for the full year emerge at $2.24, a 12 per cent. increase on last year's $2 a share. Total net earnings were $161.6m. ($144.4m.) and turnover reached $5.45bn. ($5.26bn.).

The results for 1974 have been restated, to reflect the adoption by Goodyear of the Financial Standards Accounting Board Statement No. 8 on foreign currency conversion. Before this adjustment, net earnings were $157.5m or $2.18 a share.

Bail-out attempt for Hamilton

WASHINGTON, Feb. 10.

U.S. AUTHORITIES are trying to arrange a merger this week to bail out the Hamilton National Bank of Chattanooga. Government banking regulators, it is understood, have contacted three possible candidates to merge with the lead bank of Hamilton Bancshares Inc. The Chattanooga bank holding company has assets of about $1.1bn., with Hamilton National accounting for about half of this figure.

Hamilton's financial difficulties have been known in banking circles for some time. The Federal Reserve Board, listed Hamilton Bancshares in January 1974 as one of 11 concerns having "more serious" financial problems. It's known the Comptroller of the currency, who oversees national banks, has been closely monitoring the financial condition of Hamilton National for some time.

Hamilton Bancshares itself has acknowledged its recent troubles, attributing them to the effects of the steep 1973-74 recession, which specially affected loans it made in the depressed building and property sectors.

Gabriel Danihel, chief financial analyst for the SEC Division of corporation finance, said the agency has been informed that the Federal Deposit Insurance Corporation has "entered the picture." The FDIC provides deposit insurance up to $40,000 an account. Danihel also said the SEC has begun a special review of the bank holding company's financial statements.

APPOINTMENTS

LEGAL NOTICES

No. 00356 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of B. & J. HILLS TRANSPORT LTD and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 2nd day of February 1976 presented to the said Court by THE DEPARTMENT OF HEALTH AND SOCIAL SECURITY of State House, High Holborn, London, W.C.1. and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 8th day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

M. W. M. OSMOND,
State House
High Holborn,
London, W.C.1
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm or his or their solicitor (if any) and must be served, or if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of March 1976

THE COMPANIES ACTS 1948 TO 1967

LANGFORTH LIMITED trading as BUILDING SERVICES & PAINTING SERVICES.

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Laurence Gerrard & Co., One Old Bond Street, Piccadilly, London W1X 3TD on Thursday, the 19th day of February, 1976, at 12.00 o'clock in the afternoon, for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated this 6th day of February, 1976.

By Order of the Board.
I. MITCHELL,
Director.

CONTRACTS AND TENDERS

SYRIAN STORING & DISTRIBUTING CO., PETROLEUM PRODUCTS "SADCOP"

No: 545/23

21

Date: 27/1/1976

File No.: 4

ADVERTISEMENT FOR CALL OF OFFERS OF TOP URGENCY No. 4

The Syrian Storing & Distributing Co., Petroleum Porducts, "SADCOP" announce call of offers for the supply of 750 plus or minus 25% Pumps for petroleum products within the following conditions:

1 **Deposits**
Initial Guarantee: 2%. Two per cent of Offer's value.
Performance Guarantee: 5%. Five per cent of final award's value.

2 **Delay for submission of offers:**
Until end of official working hours of Wednesday, 17/3/1976, and every offer arriving after the date will be ignored.

3 **Opening of offers:**
Offers will be opened on Thursday, 18/3/1976 at 12.00 hours noon.

4 **Delivery of Offers:**
Offers are delivered at the Registration Office SADCOP, POB 40, by hand or registered mail.

5 **Fine for Delay:**
At 2‰ Two per thousand of total value of the contract for each day of delay.

6 **Validity of Offers:**
Offers are to be valid for 60 days.

7 **Delivery period:**
Shortest possible period.

8 **Value of Cahier de Charges:**
LS 50.00 (FIFTY SYRIAN POUNDS ONLY) payable to the Cashier of SADCOP versus an official receipt.

9 Every offer not complying with any of the above terms and conditions will be disregarded.

GENERAL MANAGER
MOHAMED NADIM BADLEH

PUBLIC NOTICES

BOURNEMOUTH CORPORATION

£0.9m. bills issued 11/2/76, due 12.5.76 at 8½%. Total applications £2.2m. Total outstanding £0.9m.

CINEMAS—(Cont.)

SCENE 1. Cont. Daily 12.30. Late Show Fri. & Sat. 11.45. Ken Russell's LISZTOMANIA (X). Progs 12.30. 2.20. 4.45. 7.05. 9.25 Late show Fri. & Sat. 11.45.

SCENE 2 2nd YEAR. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. daily 12.30. 3.00 6.15. 9.00 Late Show Fri. & Sat. 11.30

SCENE 3. 2nd YEAR. THE TOWERING INFERNO (A). Sep. Perfs. Daily 2.00. 5.20. 8.40. Late Show Fri. & Sat. 11.45.

SCENE 4. Cont. Daily 1.00. Late Show Fri. & Sat 12.00. Ken Russell's TOMMY (AA). Progs. 1.00. 3.45. 6.30. 9.15. Late Show Fri & Sat 12.00.

WARNER WEST END Leicester Square. Tel.: 439 0791.
1. HOUSE OF MORTAL SIN (X). Sep. progs. 2.30. 5.30. 8.30.
2. BARRY LYNDON (A) a film by STANLEY KUBRICK starring RYAN O'NEAL. MARISA BERENSON. Sep. progs. Dly. 2.15. 7.30. All seats may be booked.
3. OPERATION DAYBREAK (AA). Sep. progs. 2.30. 5.30. 8.30.
4. AL PACINO in DOG DAY AFTERNOON (X). Cont. progs 2.15. 5.00. 7.50.

WINE BARS

DISCOVER EDEN Wine Bar. Tempting wines, good food to seduce your palate. Where? Lower ground floor in Eden Dairy Centre. Holborn Tube. First glass free to FT readers! 01-405 3198.

ART GALLERIES

AGNEW GALLERY. 43 Old Bond St., W.1. 629 6176. 103rd ANNUAL WATERCOLOUR EXHIBITION. Until 20 Feb. Mon.-Fri. 9.30-5.30. Thurs. until 7.

CLUBS

RESIDENTIAL PROPERTY

BUNGALOWS

State 'should recognise its limits'—CBI chief

FINANCIAL TIMES REPORTER

THE GOVERNMENT should recognise the limits of its own competence and stop "trying to run everything and legislate for everything," Sir Campbell Adamson, director general of the Confederation of British Industry, said last night.

In a speech to the Bradford and District Institute of Bankers he voiced this plea to the Government: "Instead of criticising industry and the banks, how about putting your own house in order? With the record as it is, what kind of case can you make out for further nationalisation or greater detailed interference in the affairs of individual companies?

"The steady encroachment of Government into the private sector has had the most serious implications not just for our economic well being but also for the quality of our public life. The tendency of power to corrupt remains very strong."

Strategy

Sir Campbell said that these should be the main features of new industrial strategy:

1 — Public spending should be cut — "which means keeping the increase in money expenditure well below the rate of inflation."

He added: "Of course, this could mean some short term increase in unemployment and of course this is to be deplored. But if we do not tackle this problem of public expenditure now we are going to have worse and longer term problems ahead of us."

2—Industry needs to retain more of its own earnings. This meant that the present form of price control must go. "It means too that the Chancellor must find further ways of industry retaining more of its earnings so that these can be used for working capital for the upturn and then for investment."

3 Inefficiency must be attacked on all levels. "We must find with the TUC ways to remove restrictive practices and restrain unit costs. We must improve managerial efficiency." This was the target which must be set by the Economic Development Committees in the sector studies they were about to undertake.

MPs renew call to allow Laker Skytrain service

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PRESSURE on the Government to allow Mr. Freddie Laker to run his cheap-fare Skytrain service between the U.K. and the U.S. is being renewed by a group of MPs on the eve of publication of the Government's White Paper on Civil Aviation Policy.

Members from the three main parties, with Welsh and Scottish Nationalists, have signed a Commons motion urging the Government to allow Laker Airways to run the no-reservations Skytrain between Stansted Airport and Kennedy Airport, New York.

Although Mr. Laker originally was granted a U.K. licence to run the service, this was halted last year by Mr. Peter Shore, Secretary for Trade, who in his first major policy statement on civil aviation said there was no longer market justification for a Skytrain type of operation.

Since then, there have been extensive discussions between the Department of Trade, British Airways and British Caledonian Airways on future civil aviation policy, the results of which are due to be published in a White Paper, which is expected to-day.

It is not known, however, whether Mr. Shore has changed his mind on the future of Skytrain, and the all-party group of MPs feels that the Laker efforts ought to be allowed to proceed.

Chief sponsor of the motion is Mr. Kenneth Warren, Conservative MP for Hastings, and the co-sponsors Mr. Eric Moonman (Labour, Basildon), Mr. Clement Freud (Lib.; Isle of Ely), Mr. Donald Stewart (Scot Nat, Western Isles) and Mr. Daffyd Wigley (Plaid Cymru, Caernarvon).

Airlines safest for ten years

By Michael Donne, Aerospace Correspondent

SCHEDULED airlines significantly improved their world safety performance last year to the best level for more than ten years.

Preliminary figures prepared by the International Civil Aviation Organisation show that there were 16 fatal accidents to aircraft engaged in scheduled air transport last year compared with 27 in the previous year. They involved 467 passenger deaths compared with 1,272 the previous year.

The fatality rate per 100m. passenger-miles flown, therefore, improved substantially to 0.13 from 0.38 in the preceding year.

Within the overall total, the safety performance of the 112 member-airlines of the International Air Transport Association also improved substantially, with seven fatal accidents to members' aircraft against ten in the previous year, with the number of passengers killed falling to 318 from 845.

The IATA members' fatality rate per 100m. passenger-miles flown on scheduled services is estimated at 0.11 for 1975 against 0.29 in the previous year.

It is stressed by ICAO and the IATA that these figures relate to deaths in scheduled airline operations. The number of accidents involving aircraft of all kinds is higher, but they occurred in non-scheduled service or did not involve passenger deaths.

Scheme for rural Wales development Board

BY OUR CARDIFF CORRESPONDENT

A DEVELOPMENT Board for rural Wales to take over the functions of the Mid Wales Development Corporation and the Council for Small Industries in Rural Areas was proposed yesterday.

A consultative paper issued by Mr. John Morris, Secretary for Wales, suggests that the Board's activities should at first be confined to the county of Powys and the districts of Meirionnydd and Ceredigion.

Responsibility for completing the development of new towns would be transferred to the Board, together with the development of any other new towns which may be designated.

It is proposed that the Board will consist of between 11 and 13 members, eventually responsible to, and financed by, the Welsh Assembly.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161.) ENGLISH NATIONAL OPERA Tonight and Tue. 7 Der Rosenkavalier: Tomor. 8.0 GALA '76 at which H.R.H. The Duke of Edinburgh will be present.

COVENT GARDEN.

SADLER'S WELLS TH.

THEATRES

GLOBE. 01-437 1592. Evenings 7.30. Matinees Wed., Sat. 3.0. LAST 3 WEEKS JUDI DENCH IAN McKELLEN

SHAFTESBURY THEATRE. 01-836 6596. Evgs. 7.30. Mat. Thurs., Sat. 3.0. ARTHUR LOWE JOHN LE MESURIER, CLIVE DUNN in DAD'S ARMY

CINEMAS

CINEMAS ARE CONTINUED IN COLUMN 3

ILEA plans to spe[nd] £43m. more

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

AN "educational rate" increase of 11.6 per cent. gross is being called for by the Labour-controlled Inner London Education Authority to meet running costs for the 1976-77 financial year.

The ILEA budget is the major item in the central services provided under the Greater London Council the costs of which are then added to the local rates levied by the Inner London boroughs.

The ILEA's new budget represents a gross increase from 34.5p to 38.5p in the pound, which should raise £413.9m. compared with £370.9m. in the current year. Of the extra £43m., however, about £27m. will be provided by the increased central government contribution towards educational spending.

So, as far as Inner London rates are concerned, the net effect of the educational budget will be a rise of about 1.5p in the pound, or 4.3 per cent.

Of the total, the ILEA says about £375m. is wanted to cover on-going activities and planned developments. In "funny money" this represents a small decrease from the current year's spending.

The decrease is made possible mainly by reduced rolls in the authority's primary schools, permitting a notional redu[ction of] about 500 in the prima[ry teach]ing force. But some [of the] savings will be used to [fund] other activities such as advice and help for [...] schools being merged [into] ILEA's network of com[prehen]sives.

A further £11.9m. is n[eeded to] cover the deficit on the [current] year's budget, and £27m. [is] to be set aside for contin[gencies].

Underestimate

The deficit on the [current] year's budget is due [to the] official underestimate [of infla]tion. The estimated rate was 15 per cent., [but in] reality turned out to b[e ... per] cent.

Because of the official [forecast] that the rate of inflatio[n will be] halved during the com[ing year,] the ILEA is allowing fo[r ... per] cent. inflation in its 197[6-77 con]tingency reserve.

On manpower, the au[thority is] budgeting for a decli[ne from] 35,556 to 35,525 in its [number] of teachers, but for a [rise from] 28,968 to 29,473 in [other] categories of worker—a[n] increase of 474. As a r[esult the] ratio of other staff to [teachers] will rise from 81 to abo[ut ... per] cent.

Accused councillor played Santa: witness

ROBERT URWIN, one of the four former county councillors accused of corruption, played "Santa Claus" for property developer Sydney McCullogh, Teeside Crown Court was told yesterday.

Urwin, 62, handed a bottle of whisky and a turkey at Christmas to another councillor at Chester-le-Street, County Durham, the court was told.

Schoolmaster James Simpson, a member of Chester-le-Street Urban District Council from 1965 to 1970, said: "Urwin delivered them in person to my home. He said they were on behalf of Mr. McCullogh."

McCullogh, 53, of Tynemouth, and Urwin, of Birtley, County Durham both deny corruptly conspiring to gain planning favours between 1960 and 1973.

The charge is also [against] ex-Durham County [councillors] Andrew Cunningham [of] Chester-le-Street, Matth[ew ...] 72, of Washington a[nd ...] Docking, 65, of Birtley.

Simpson said that he [received] whisky and a turkey o[n suc]cessive Christmases.

"The first time it w[as left in] my porch. It came as a [pleasant] and welcome surprise. [There was] no indication who it [was from.] We consumed the item[s."]

Simpson said that [he saw] Urwin a few weeks [later and] Urwin said that he ha[d left the] items on behalf of M[r. McCullogh.] The same gifts arrived [the following year,] again delivered by U[rwin, and] they were also accepte[d.]

Simpson said that [Urwin did] not try to exert pressu[re on him] as to the way he shou[ld vote on] any application.

HOME CONTRACTS

Taylor Woodrow win water works order

TAYLOR WOODROW CONSTRUCTION (NORTHERN) has won contracts worth £1¼m. from the Northumbrian Water Authority. The first is for constructing of an intake and pumping station on the River Tees at Blackwell, near Darlington, Co. Durham. The second contract is for sewerage through the town and extensions to existing treatment works at Barnard Castle.

★

R. M. DOUGLAS CONSTRUCTION, Stockton-on-Tees, has received a contract worth £1,626,369 from the Northumbrian Water Authority for an extension to Belmont sewage treatment works, Co. Durham. The order covers the building of two off-site pumping stations and an associated sewerage system.

★

BRITISH STEEL CORPORATION'S Stanton and Staveley group has been awarded an order worth £1¾m. for 13 miles of ductile spun iron pipes for Lothian Regional Council Water Supply Services. The pipes will be part of a trunk aquaduct from the River Tweed to new reservoirs which, under the Megett Scheme, will double the area's water resources.

★

TELECTRON, Dublin, received a contract to supply telephone multiplex equipment for the North Sea from Marconi Communication Systems of Chelmsford.

★

GEC COMPUTERS has won a contract from Wembley Stadium for an eight-station GEC 2050 seat reservation and box office accounting system. It will be used for events held in the Empire Pool, in the theatre of the newly-built Conference Centre and selected events in the main stadium and the Squash Centre.

★

TELEPHONE RENTALS has received a contract worth more than £335,000 for the installation of a PABX system at Belfast City Hospital. This Crossbar PB8000 switchboard system, which forms part of a rebuilding project costing about £7m., will provide for eventual expansion to [...]sions. It includes [...] facilities for the health [...]ceptionist to re-route [...] doctors' homes.

★

ALFA-LAVAL, Brentfor[d, has been] awarded two new co[ntracts for] brewing equipment tota[lling more] than £250,000. Vaux Bre[weries has] ordered a self-triggering [...] process and cleaning in [...] work, pumps and contr[ols.] Carlsberg has placed a[n order for] control systems and pi[pe] extensions to the c[...] tanks and brewhouse at [...]ampton brewery.

★

PLESSEY POWER [...] Swindon, has won a cont[ract worth] more than £200,000 fro[m the Post] Office. The order is for [...] of over 50,000 private b[...] hope exchange cords i[ncorporat]ing a 46-way connector [over the] next 12 months.

★

W. F. SMALLMAN A[...] West Bromwich, has a [contract] to supply £100,000 worth [of lubri]cants and ancillary equ[ipment to] British Twin Disc, [...] Kent.

★

ASTRALUX DYNAMI[CS, ...]chester, Essex, has won [a contract] worth more than £2[...] the manufacture of [...] equipment for the Pos[t Office.]

★

ICL has received an o[rder for a] 1901T computer fr[om] Sherwood Computer [Services] which provides a data-[...] and accountancy serv[ice. The] system will be installed together with ICL 8950 [data pre]paration equipment. T[he value] of the new installation [is] £200,000.

★

RAYTHEON COSSOR SYSTEMS has received [an order] from the Dunlop er[...] group, Coventry, for visu[al display] terminals. These will b[e used in an] on-line data entry syste[m] on the group's ICL 19[...] sharing computer syste[m which] also provides a service [to] Dunlop divisions.

FINANCIAL TIMES REPORT

Wednesday February 11 1976

IRONFOUNDING

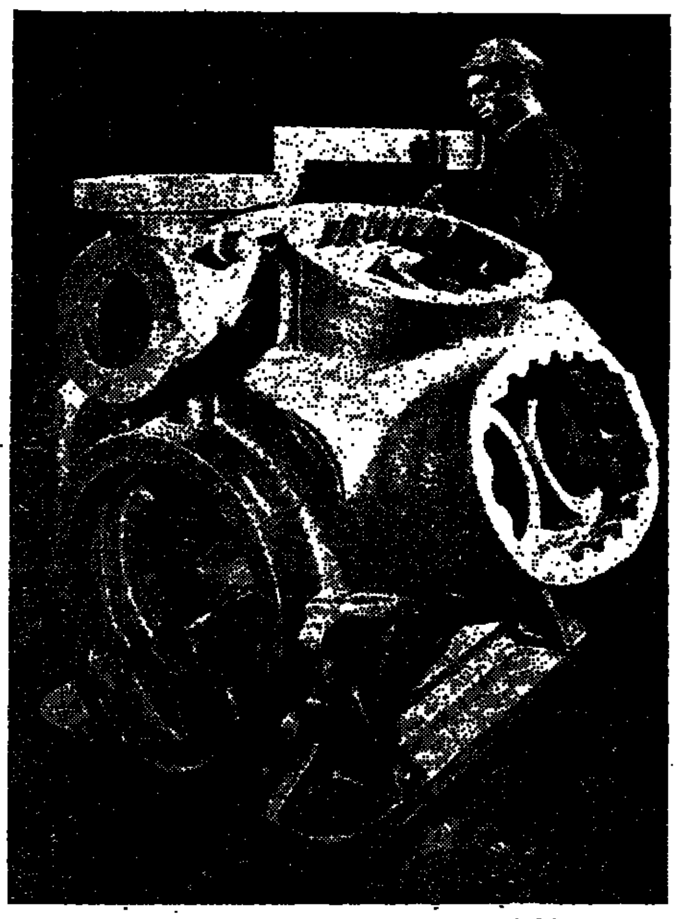
The recession has hit ironfounders harder than many other sectors of industry. Many small operators have gone out of business. However, Government aid is assisting with the industry's modernisation.

...acks ...e ...all

...er Cartwright

...NFOUNDRY industry ... example of what can ...vhen central govern... ...ough taxes and other ... impositions, takes so ... of a vital and highly ...e industry that it has ... giving at least some ...k to preserve it in ... good shape for it ... part in an economic ... Other industries, most ...e vehicle industries, ...bed to prosperity on ...f supplying industries ...nfounding, without ...roducts they would ... halt. As a big collection of smallish foundries, very many of them family concerns, it was not difficult in the past to induce price-cutting by playing one off against another, often to the extent that while a recession lasted ironfounders were "giving the bricks and mortar away" in order to keep active.

Although, there has been some improvement in this respect, a recent study of 50 foundries revealed that the average return on capital employed was less than 10 per cent. and only ten were making around 20 per cent. In such circumstances it is scarcely surprising that foundries have been going out of business at the rate of about one a week for several years. In the eight years to 1973 some 400 foundries closed their doors for ever, and at the end of 1974—the last year for which figures are available—there were some 756 in operation compared with 887 in 1970. Curiously, however, in spite of the recession, there seem to have been fewer closures than previously, a phenomenon that has still to be adequately explained, although it is clear that it stems partly from the changing structure of the industry. More and more it is becoming dominated by a relatively few big units with a good deal of bargaining power and backed by modern equipment. According to the Council of Ironfoundry Associations, 71 foundries, producing annually 10,000 tonnes of castings a year or more, provided more than 2m. tonnes out of the industry total of 3.2m. tonnes, while among other foundries 62 producing in the 5,001-10,000 tonnes range produced 429,000 tonnes.



A refrigerant compressor crankcase weighing over 3,800 lbs, produced by Hepworth & Grandage for J. and E. Hall.

To many outsiders the industry has seemed to veer from under-capacity in boom times to unhealthy over-capacity in a downturn. To a large extent this reflects its heavy involvement with the motor industry, its biggest single customer which is responsible for taking about a third of total production. Most major suppliers and many smaller ones have taken steps to diversify to provide a better spread and to whip up exports. Birmid Qualcast, for instance, achieved a further substantial expansion of direct exports in the last financial year by raising them 50 per cent. to £17.5m. Nevertheless, it has of course been impossible to escape the consequences of the deepening recession in the motor industry during the year. The three sections to survive best were tractors and agricultural equipment, still buoyant, diesel engines and trucks and buses, although recently trucks has struck a poor patch. Third quarter results of the main product areas show a continuing decline compared with the previous quarter and in most cases an even bigger fall compared with the corresponding quarter of 1974. For instance output of automobile castings is down by more than 20 per cent. compared with the corresponding quarter of last year and by 17 per cent. over the second quarter. The comparable figures for building and domestic products is 24 per cent. and nearly 7 per cent. and for engineering 19 per cent. and just over 10 per cent. All told, across the board production in the third quarter last year was down 19.5 per cent. in relation to the same quarter of 1974 and down by 16 per cent. over the second quarter. Writing ahead of the year-end results, it seems doubtful whether they will reach 3m. tonnes, a new low point.

Customer

While the automobile industry relies heavily on the ironfoundry industry, it is by no means the only big customer. In engineering the list of customer industries extends from ships' engines through textile machinery to furniture and domestic appliances. There is scarcely any aspect of life that the industry does not touch. The vital nature of its products has—somewhat tardily it seems—been officially recognised. Castings has been identified by the National Economic Development Office, along with steel, electric motors, specialist machine tools and diesel engines, as being among the most likely to impose bottlenecks when general economic activity again becomes brisk.

Altogether 30 industrial sectors are listed in the Government's strategy for providing selective assistance, and capital investment trends are among the factors being studied. In ironfounding the bulk of this has been done by the bigger more aggressive units, which have consistently put improved technology and processes high among the priorities. But even here schemes have had either to be shelved indefinitely or spun out, and many of those going forward or recently completed were initiated in better times.

Programme

The levels of investment in plant, buildings and equipment in the ironfounding industry has been running at around £20m. a year at 1974 prices. The Government's industrial programme is raising this very substantially, and it is worth repeating that the minimum cost limit of £0.5m. for projects eligible for the scheme has been considerably eased. As one of the front runners, with machine tools and textiles, the ironfoundry industry is promised £25m. of Government aid, predicting an investment and modernisation programme of some £300m. over the next five years. So far rather more than £14m. has been applied for, indicating capital projects totalling more than £60m. in the pipeline. Another £8.5m. worth of projects is under discussion, so that even at this early stage the whole of the amount initially allocated is well on the way to being used up.

In addition, and separate from this programme, is some £50m. set aside for British Leyland's seven foundries serving the car, bus and truck and special products divisions. This seems to favour BL disproportionately bearing in mind that it is being rescued by the State. How it is going to spend the money, over what period and where is not being disclosed, largely because under the new worker participation system it has first to be discussed and approved by the joint councils. It can, however, be stated that the programme is likely to be started later rather than sooner because an absolute stop on capital spending has been imposed until industrial relations and productivity in BL improves. The investment programme will be looked at again in April. However, one important aspect of the British Leyland programme for foundry modernisation seems to have been cleared up. It is apparently not intended to take vertical integration further, and the company will remain a substantial customer of the ironfoundry industry outside its walls.

While the industry is not getting as generous treatment as British Leyland, it is thankful for whatever Government aid comes its way, for it faced an impossible task on its own of both modernising and of meeting tougher anti-pollution regulations, which do not come directly within the scope of Government assistance. These will cost the industry a further £60m. or so in the next five years for a completely non-productive programme, one which is likely to absorb some 10-15 per cent. of capital cost in annual maintenance, it is estimated. The only way, it seems, that aid may be attracted to upgrading environmental equipment and controls is if they form an inseparable part of a complete scheme of modernisation. And even though the environmental regulations are not as strict as some others to be found elsewhere in the world, they will take an appreciably higher proportion of energy. Cleaning up the air outside and inside a foundry and otherwise improving the working environment could take up to 25 per cent. of the total electrical energy bill, it has been computed. Also to be taken into consideration are the new safety and health regulations. While the reorganised Factory Inspectorate is using its greater powers with understanding, and prohibition orders are used only as a last resort, there remains a lot of work to do in this field before all foundries comply.

Nor should management be lulled into any false sense of security. The regulations herald changes that are going to be the norm rather than a once-for-all situation. Meeting them will be only the first stage, for they will almost certainly be tightened up in the years ahead. The velvet glove is sensibly being used in view of what has happened elsewhere. In the U.S. the impact of the Health and Safety Administration was almost catastrophic. Some 400 foundries closed, and a disaster fund had to be launched to salvage what could be saved from the wreckage. That is unlikely to happen in the U.K. All the same the regulations are not going to go away. The 90 dBA noise maximum, for instance, will almost certainly come down to 85 dBA, as it has done in Sweden: and that is equivalent to a noise reduction by about 50 per cent. It is understandable that, with a whole new field of legislation to deal with, the setting up of high-powered specialist committees, liaising with similar organisations on an international scale, is being advocated in some quarters.

If there is a silver lining, experience suggests that changes in technology and processes will help to eliminate health and other hazards. And, of course, some of these changes to make the working environment more attractive are needed if recruitment is to be adequate. Recent trends suggest that the industry could be crucially short of skills in some vital areas like moulders and technicians. Between 1969 and 1974 employment overall contracted by 9 per cent. But the number of craftsmen decreased by 25 per cent. and of skilled moulders by 40 per cent. The work of the Training Services Agency had helped to fill recruitment gaps, but a sustained effort is likely to be needed if debilitating shortages are to be avoided in the future.

IRONFOUNDING II

Malleable iron in demand

WHILE THE grey irons are by far the most commonly used forms of cast iron, there is a growing demand for irons with additional toughness and ductility. Obviously, this growth has been affected by the present economic situation, with stagnation followed by recession. Even before the current recession those sectors of industry that used iron castings had been doing less well than the engineering industry as a whole. Under these circumstances to indicate a trend accurately is difficult, and similar to assessing the performance of a man swimming against the tide.

The best illustration of the underlying trend is the output of these ductile and tough irons expressed as a proportion of total cast iron tonnage. Whereas it comprised 8.4 per cent. of the total in 1966, by 1974 this had risen to 18.2 per cent. The most recent figures available are for the third quarter of 1975. While they show an expected drop in tonnage compared with the corresponding quarter of the previous year, they also indicate that this proportion is now 19.1 per cent. of total output.

Two forms of cast iron offer improved ductility and toughness—the malleable irons and the spheroidal graphite (SG) irons. Malleable iron differs from SG iron in its history, manufacture, metallurgical structure, markets and many of its properties. The main growth in the use of malleable iron took place before the growth in SG iron production, which is a relatively new development. In analysing the recent commercial performance of these irons, it is helpful to remember the historical background of each.

Originating in the early part of the 18th century, malleable ironfounding is a well established industry. The castings are subjected to a prolonged heat treatment—annealing—operation which transforms the structure and gives a ductile and machinable product. Since its early days, the process has been continuously developed. To-day's malleable iron industry is technologically advanced and includes many modern, well equipped foundries. By maintaining technical progress, the industry can now tackle jobs that were until recently considered to be outside its scope.

Malleable iron castings are currently needed by many sectors of industry, but the largest user by far is the motor industry. In recent years, at least half the output of malleable iron castings has gone to manufacturers of cars and commercial vehicles, with a further 10 per cent. to makers of tractors. This market has, of course, fluctuated during the last ten years, and sustained growth occurred in previous decades, which were good years for malleable iron. Output of malleable iron was 216,000 tonnes in 1966 and 207,000 tonnes in 1974. These figures show a slight drop in tonnage, but when they are expressed as a proportion of all ironfounding they show a rise from 5.5 to 6.5 per cent. The period from 1966 was one in which SG iron came into widespread use. As the figures show, the growth of SG ironfounding was not at the expense of malleable iron. Indeed, ironfounders from both sides of the industry agree that the two types of cast iron complement one another and are not competitive. Another point of interest is that the supply of malleable iron castings to the motor industry showed an upward trend between 1972 and 1974 despite a decline in vehicle production during this time. Malleable iron is still penetrating further into its existing markets, even though some of these markets may be shrinking. In the currently harsh economic climate, this sector of the iron founding industry has resilience and latent growth potential.

Research in the 1940s showed that by adding certain alloying elements to a suitably composed molten iron, castings containing small spheroids of graphite could be produced. In a normal grey iron, of course, this graphite is present in the form of flakes. The change to spheroidal graphite leads to increases in strength and ductility, so the SG irons are now a material competitive with steel. The research was followed by the necessary development work and the introduction of SG irons on to the market. The growth in output of these irons has been remarkable—104,000 tonnes in 1966 and 406,000 tonnes in 1973. Owing to the recession, the upward trend was reversed in 1974. However, informed sources within the industry believe that SG irons have yet to reach their full potential in the U.K.: they base this view on the situations in the U.S. and in Europe where SG irons are used more extensively than they are here.

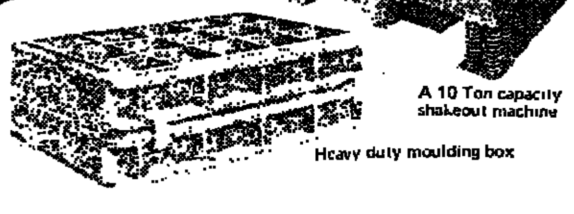
Crankshaft

One of the best known applications for SG iron—the crankshaft—is also an interesting example of a prospect for growth. This is an engine component which would be liable to distort if it were to be subjected to heat treatment, owing to its complex shape. Not only can SG iron crankshafts be used without heat treatment, but they also have the necessary wear and fatigue resistance. Many of the engines produced by the British motor industry are now equipped with cast iron instead of forged steel crankshafts. Equally, there are many engines still in production which were designed before the advent of SG iron as a proven material, and consequently retain their steel crankshafts. Thi[s is] one of the areas in [which the] use of SG iron is [likely to] increase.

Although motor c... including crankshafts ... an important part o... production, the maj... for this material i... pipes and fittings, ... represent over half ... SG iron output. SG['s] strength in heavy se... this makes the mater... larly suitable for ... pipework. For cor... small, tubular fittings ... iron is usually select... the usage of SG ... pressure pipework ... from 34,000 tonnes ... 219,000 tonnes in ... should be mentio... the pipes would ... have been made of ... iron. In addition, ... pipe can be made w... sections and lower ... a comparable grey ... consequently, the ch... iron has probably ... overall drop in ton... the iron industry a... These pressure pipe... to carry services su... or gas, so a large ... goes to the public ... industry. Cut-backs ... by the public secto... to affect the SG ir... although this has ... apparent in the avai... tical information.

Both malleable a... founders have been ... in exporting their ... the raw state. A ca... the ideal article to ... may contain flaws t... apparent only when ... machined by the ... Consistency and ... quality control pro... essential if castings ... sent a long distance ... foundry. It is a mea... efficiency and com... of these ironfounder... have not only achie... while sales abroad, ... to increase these s... future.

Ray ...



Investment plans

PLANT AND equipment makers for the ferrous foundry industries are studying the implications for them of the most massive capital investment programme, so far projected. The Council of Ironfoundry Associations has put the programme at £300m. over five years without taking into account what may be spent on steel foundries. Already about 80 formal applications have been received by the Department of Industry and more than £22m. of the Government's initial £25m. assistance has been appraised or is being discussed.

The process is, perhaps inevitably, somewhat slow because projects have to be submitted in precise detail. Nonetheless, the fact that so far only £620,000 has been actually approved to three companies suggests a pretty long gestation period for the other schemes. The inference that can be drawn from this is that plant and equipment makers are not likely to come under the pressure that the scope of the Government's programme suggests. This may prove to be ill-founded, for one would judge that, as experience is gained, the rate of dealing with schemes will be expedited.

On the other hand, the fact that only about one in ten of the 750 or so ironfoundries have so far tried to take advantage of the scheme implies that two to three times the original £25m. will be needed if Mr. Denis Healey really is to carry out his promise to "help promote the modernisation and restructuring" of the ironfoundry industry (along with the other key industries selected for special treatment) in order that the economic upturn should not be hampered by—in this instance—a shortage of castings.

It seems probable that many of the 80 foundries who have made submissions will be among the similar number that produce getting on for two-thirds of the industry's total output of some 3.2m. tonnes. With the experience still strongly etched in the memory of what happened in the American industry, when the tough application of strict anti-pollution controls put out of existence nearly 400 mainly smallish foundries, the Government is unlikely to exclude them just because the initial allocation has all been used up. Indeed, the smaller, often privately owned foundries are vital to most sectors of the engineering industries, for they include the jobbing foundries turning out the big castings needed for machine tools, diesel engines, compressors, valves and other products that lie outside the mass manufacturing automotive and domestic appliance industries on which the industry chiefly relies.

All in all, therefore, plant and equipment makers, who have had to adjust their highest ambitions to a lower rate of investment than is now being generated, should be encouraged not only to lay down more manufacturing capacity for existing products where this seems justified but also to strengthen their research and development departments. More efficient installations will be necessary if the industry is to reach the competitive levels it hopes to achieve, and some of th. new legislation — suppression of fumes and noise are two examples — really demand new concepts and designs if real progress is to be made. It seems inevitable that hardware will be designed that will have the inherent advantages of complying with safety and environmental regulations rather than having attachments or being adapted from pre-regulation machinery.

While some outstanding advances have been made in almost every branch of the industry, it nevertheless remains true that overall the rate of innovation in new plant and equipment has been more piecemeal and less sustained than has been the case in some of the principal overseas competitors.

Of course, there are many convincing cases where the introduction of mechanisation or automation has been so rapid that more problems have been created than have been solved. Sound ironmaking practices still owe a great deal to skills imbibed or inherited from those who had to rely as much on their judgment as on machines. It is worth noting in passing that, despite the U.K.'s economic or financial standing in the world, people operating foundries in overseas countries do not hesitate to call on the resources of individual British companies to get them out of trouble. And the overseas services of the British Cast Iron Research Association are in continuous demand.

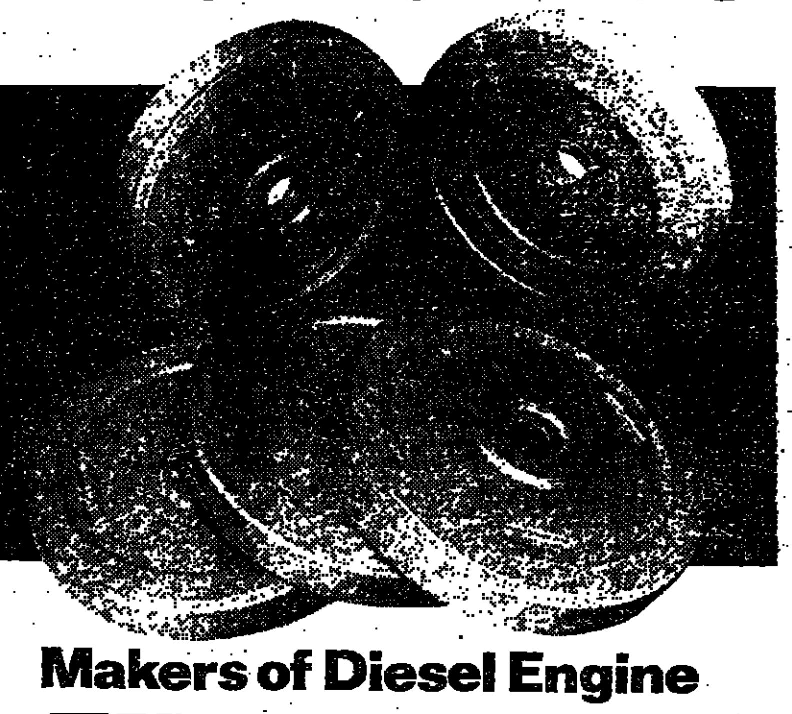
Technical

Most of its energies are currently being devoted to technical improvements that help to solve the anti-pollution, noise and other regulations being visited on the industry, and judging by its past successes in introducing fundamental technical innovations, its work will no doubt emerge in practical terms in due course. In recent years it has made some significant contributions to the concepts and practices within the industry, such as spheroidal graphite iron and the divided blast cupola, the full potential of which has still to be reaped. This is the system by which air blast used to encourage combustion is divided about equally between two separate rows of inlets (tuyeres) which are correctly spaced apart. The system cuts coke consumption by up to 30 per cent. or the melting rate can be increased by up to 25 per cent.

British Oxygen has also developed a system for oxygen enrichment in cupola furnaces which has led to the increase in melting rates of 30 per cent. At the same time half the pig iron normally used can be replaced with steel scrap, while a 20 per cent. reduction can be effected in coke and limestone. The system also confers greater flexibility of cupola operation. The Hayes Shellcast cokeless cupola system, which has been licensed for manufacturing in a number of overseas countries, is another example of British inspired technology that has won acclaim on a world scale. It also has the added advantage of being very free from flume, so that the emission of solids and grit is exceptionally small and satisfies many regulations.

While there is a full range of processes and techniques in this country from which to choose, there is no guarantee that U.K. plant and equipment makers are going to benefit to the extent of the Government's financial programme. Indeed, it would be unusual if they did, for much depends on the disposition of a foundry and upon its range of products. In very instances individual items of equipment, whether from this country or abroad, are chosen for their compatability and potential in terms of overall integration. But at least the opportunities to tender are being created. It will be interesting to see, in two or three years time, where the new equipment has come from.

Peter Cartwright



IRONFOUNDING III

Training needs

E past year there has ch greater awareness ortance of the iron- lustry to the national This has been y the formation of s Foundries EDC and icement of £25m. of t money for moder- the ferrous foundry f this capital invest- give the best possible industry has to have riate labour force to he effective use of ent.

on available from l Economic Develop- e and the Foundry raining Committee's eviews provides the for identifying the ues. The table shows 969 to 1974 employ- he ironfoundry in- much more than in turing industry. The occurred during the f 1971-72, with em- early 12 per cent. 69. During the sub- m the industry was attract back those who left it, and be- to compete with ries, was unable to ng people in suffi- rs to make up the listened to advice out "shaking out" industry is, in con- ly other sections of irrently endeavour- n its labour, parti- ed labour, in spite economic circum-

he period 1969-74 een some significant he labour force, the being the employ- ore operators and men. While total fell by only 9 per mber of craftsmen fell by nearly 25 per cent. A more detailed analysis of the figures available from NEDO shows some fundamental changes in craft employment. The number of skilled moulders fell by 40 per cent. between 1969 and 1974 and patternmakers by 25 per cent., but the number of foundry maintenance craftsmen increased by 7 per cent. during this period. By 1974 the structure of the labour force was as follows:

	per cent.
Staff	18.7
Craftsmen	15.6
Operators	54.8
Labourers	10.9

These manpower figures reflect one of the movements away from traditional methods of manufacture by the increasing use of mechanisation. However, the decline in the number of skilled moulders is not solely due to mechanisation, and the increasing use of other materials and new technologies, for example CO_2 sands and air setting sands, has been just as important for changing the job requirements of the industry. Those sections of the industry which have mechanised their foundries, for example, those supplying the motor industry, have virtually ceased employing skilled moulders for production purposes, but for most foundries producing large jobbing castings for the machine tool and heavy engineering industries, skilled moulders still account for a significant proportion of the workforce. These two divergent paths show the difficulties of devising one general manpower strategy covering all sections of the industry.

EMPLOYMENT

	Iron No. (000's)	Iron Index 1969=100	All Man. Index 1969=100
1969	95.6	100.0	100.0
1970	94.6	99.0	99.4
1971	90.5	94.7	95.7
1972	84.5	88.4	93.0
1973	85.7	89.7	93.5
1974	83.7	87.6	93.1

Sources: NEDO and Department of Employment.

Personnel

An expected consequence of the rapid loss of foundry craftsmen could have been a corresponding increase in technical personnel. However, between 1969 and 1974 the number of technologists and technicians fell by 11 per cent., and in 1974 they only accounted for 2 per cent. of the labour force. The lack of technical personnel in companies is a constraint on the effectiveness of the industry's research organisations introducing new techniques into companies. In many instances it is the industry's suppliers who through their commercial promotion have been responsible for applying new technologies. Such a situation does not make the best possible use of research organisations such as the British Cast Iron Research Association.

In the area of management and supervision the FITC information on the age and number of years employed of these employees provides some useful indicators. Approximately 25 per cent. of these employees are over 54 years of age, and 60 per cent. had spent at least ten years working in the same company. This shows a pattern of the industry relying significantly on internal promotion from craft and technical occupations for filling these positions. While the changes in technology have enabled the industry to continue to function with fewer craftsmen and technicians, the long-term effect of not having sufficient people with the necessary skills and knowledge of founding, especially for supervisory functions, could present serious problems by the early 1980s. An option that is open to the industry is to recruit from other industries, and while this can be considered feasible for such specialised areas as research and financial control, in the production functions there is the need to know and understand the methods and practices generated from the experiences of a long-establised industry. The consequences of the industry recruiting a significant proportion of its management and supervision from outside could have some traumatic effects. The alternative is that the industry will have to increase its efforts to recruit and train young people in craft and technical occupations.

Between 1969 and 1974 the figures produced by the FITC shows that the intake of young craftsmen and technicians fell not only in numbers but also as a percentage of the people employed. Partly this was due to the recession of 1971-72 when the industry cut back on recruitment. When the situation improved in 1973-74, the industry was unable to compete with other industries for recruiting the restricted number of young people due to the raising of the school leaving age. In spite of the difficult economic climate this year, the industry increased recruitment of young people to skilled occupations, taking advantage of the FITC's premium award training scheme, sponsored by the Training Services Agency, with the result that most training centres are full. However, there is the danger that next September there could be an enormous fall in recruitment, because many companies who have recruited just this year will not continue to do so. Since training is closely linked to further education, and local authority expenditure is under heavy pressure, the lack of recruits could see the disappearance of associated foundry further education courses from some colleges.

So far, the comments have concentrated on the industry's internal situation, and attention has not been given to two important pieces of recent legislation, the Health and Safety at Work Act and The Employment Protection Act. The ironfoundry industry is one to which the factory inspectorate has shown a particular interest, and companies are currently ensuring that their safety policies and training practices are meeting the regulations and codes of practice of the Act. In addition many companies will not only have to bear the cost of installing new equipment but the additional cost of maintaining it as well.

By a Correspondent

New safety rules must be met

currently one new cing the iron- industry which is cost it a lot of Health and Safety 1974 and the Con- tion Act, 1974, both , impose legal con- ie foundry industry never met before must be taken into in both long- and planning. The Acts course, directed at foundries but at all actual and lluters. The fact ie into force in the trade recession is idental, but they y will have a pro- n the long-term. ave been legal as regards both ltions and environ- ion before but the much more com- and detailed and asy to meet. More- re than likely that requirements will r as time goes on. respects some eady have more irements; Sweden, s more demanding l of noise which, is now fully a pollutant and with the older nore obvious ones fumes and smoke. nediate future the ists for applying "the best practic- to the control of late, gaseous and n. In the short ore, the major at of cost. In the term present and ions could lead to research and the completely new ing a foundry. stion of who pays l measures neces- is a European nmunity concept iter pays" and so ally. In the long e, the customer tever is laid out ontrol equipment ped in the selling oduct. The cost is len; it has been estimated that it is now running at about 35 per cent. of total foundry costs and it will undoubtedly increase. It is not easy, especially for small foundries, to meet such expenses. Indeed it is reported that in the U.S., in the first two years of operation of strict pollution control, a large number of foundries closed down. It is true that some may have gone out of business anyway, for a variety of reasons, but it is certain that the cost of having suddenly to meet the new regulations proved too much for quite a lot of them. The position was serious enough to induce the U.S. Government to set up a small firms' disaster fund.

In Britain some help may be forthcoming from the Government-sponsored foundry modernisation scheme, though it is not yet clear how the money available will be allotted. Some fact emerge, however. An application for a modernisation grant would not be considered unless the design incorporated acceptable pollution-control equipment. And it seems certain that the addition of pollution-control equipment to existing plant, without any modernisation of production equipment, would not be eligible for a grant at all. So the foundry industry has to face the fact that it will be involved, over the next few years, in considerable additional capital and operating costs though to some extent it may receive financial assistance from Government funds.

Pollution

The possible sources of pollution — and their potential for creating problems — vary from foundry to foundry but certain areas stand out. Mechanised moulding can cause noise; metal melting can be a source of fumes, dust and to some extent noise; mould knockout gives rise to fumes, dust and noise; fettling can make dust and is always very noisy. If there is an objectionable discharge of any kind from these areas into the foundry building it is in breach of the law relating to health and safety; if any escapes from the foundry building it is an environmental pollutant.

In practice things are not quite so simple, for if the law were absolute and demanded no pollution it would, in the present state of technology, be unworkable. So in many cases maximum limits are laid down. The maximum noise to which a man be subjected for a period of eight hours, for example, is 90 dB(A). If the noise level increases, the time period is reduced. But there is no reason to suppose that this limit will remain unchanged.

To state the obvious, the ideal way of controlling any kind of pollution is to stop making it. This is probably the way in which long-term research will be directed. Indeed, there is quite an interest in some academic as well as industrial circles in this subject. A great deal—though by no means all—of noise is created by impact and there is a lot of this type of noise in a foundry. Much can be achieved if engineers design machines which stop banging things about.

Some solutions of this type are immediately available. Jolt-ram moulding, for example, is noisy, squeeze moulding and shell moulding are virtually silent. It is impracticable to make a sudden and complete change and in some cases it may be impossible at present. But an extension of quiet moulding processes is more than likely. Metal melting is a different problem. The traditional cupola, though effective and not particularly noisy, is very productive of fumes and dust. Electric induction melting, which is also very acceptable from a quality-control point of view, is in itself completely clean and quiet.

The most difficult area in a foundry is the fettling shop. Fettling—cleaning and dressing the castings after they have been extracted from the moulds—causes dust and a great deal of noise. Modern foundries shot blast castings as far as practicable and the dust is removed in this operation and ducted away for clean disposal. But chipping the flash and other surface imperfections off castings is an impact process and was noisy even when it was done by hand. It is now usually done by machine and is very noisy indeed, with the castings acting as sounding boards and aggravating the problem.

In the short time much help is being given by more accurate moulding methods which necessitate less dressing. Further help could come from a reduction in the amount of dressing which could result from co-operation between founders and casting users. Some castings are dressed to a better finish than is really necessary for the application because, apparently, they always have been. Fundamental research may provide a silent method of fettling castings but there is no sign of anything significant at present.

There are other sources of pollution but altogether, the foundry industry will need to co-operate with users of castings, who will have to be more willing to accept products to different—not necessarily lower—standards. Exchange of information with plant and materials suppliers will become even more important. It is all going to be very expensive but the foundries which face up to the problem and act accordingly will be the ones which survive and prosper when trade improves.

Keith Gale

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Advance gathers pace: 6.77 rise

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 10.

THE ADVANCE gathered pace on Wall Street to-day, aided by a generally favourable news flow with regards to the U.S. economy, plus the steady improvement in investor psychology stemming from the vigorous Stock Market rise since the beginning of the year.

By 1 p.m. the Dow Jones Industrial Average was up 6.77 to 963.95 and the NYSE All-Common Index gained 29 cents to $53.39, while gains widened their lead over losses to more than a two-to-one margin. Trading volume expanded 1.06m. shares to 15.2m., compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

In the news background, Administration Economist, Alan Greenspan, said the U.S. economic recovery could last "quite a long time" and interest rates probably will move lower over the next nine to 12 months if the inflation rate does not accelerate again.

Carrier Corp., the most active stock, edged up $⅜ to $7—it expects "a major increase in earnings" for the current fiscal year.

U.S. Steel moved up $1⅞ to $80⅛, Eastman Kodak $1¾ to $111⅜ and Digital Equipment $2⅜ to $164½.

But Lockheed Aircraft fell $⅝ to $7⅛—the General Accounting Office has disclosed that Lockheed may be unable to repay some $196m. in loans guaranteed by the Federal Government.

In 1971 Congress agreed to stand behind some $200m. of bank loans to keep Lockheed from collapsing.

A. E. Staley rose $¼ to $51⅝ on a quarterly dividend of 50 (45) cents a share.

Olin Corp. improved $1⅛ to $43⅞, IBM $1½ to $254¾, heavily traded Woods Corp. $1⅞ to $9⅝, Singer 1 to $16⅜ and Northwest Industries $1¼ to $42½.

Rubbermaid gained $⅝ to $26⅞ on sharply higher fourth quarter profits.

The American SE Market Value Index was up 0.30 to 97.88, and the trading volume expanded 126,000 shares to 1.82m. compared with 1 p.m. yesterday.

Syntex were unchanged at $35 on 31,600 shares, but Imperial Oil "A" dipped $⅝ to $23¼ on 30,300 shares.

...BIC Pen gained $¼ to $11⅜—it said it has "the potential for another record year in 1976."

Among Papers, Domtar added $⅜ at $24⅛ after it raised newsprint prices. Price put on $¼ to $16⅞ after subsidiary Price (Newfoundland) signed a tentative wage pact.

PARIS—French shares generally lower in fairly active trading. There was some hesitation over labour action which will cause the Bourse to be closed to-day (Wednesday), plus the raising of the Call Money rate by a ¼ per cent. to 7 per cent.

Metals advanced, while most other sectors slipped back.

Foreign sector mixed. Americans were irregular, Germans higher. Canadians were up, Dutch shares mixed, Belgians dipped, Gold Mines were down, while Coppers were lower.

BRUSSELS—Declines predominated in active trading.

Chemicals finished lower. Oils were reduced. Metals mixed. Gains predominated in Steels, Electricals and Utilities were lower. Holdings irregular, while Stores were lower.

U.S. shares were generally higher, South African Gold Mines declined, while the Dutch, German and French sectors were steady.

AMSTERDAM—Slightly higher in slow trading.

Banks were steady to higher. In Insurances Nationale Nederlanden declined Fls.1.40, and Amev Fls. 1.20.

Transportations rose. KLM put on Fls.7 to 120 and Van Ommeren Fls. 1.50 to 242.

Dutch Industrials were narrowly mixed. Pakhoed Holding were down Fls.4.50 to 131.5.

Government Loans were steady.

GERMANY—Mixed in moderate trading.

Banks were mostly lower, Electricals were firm, Chemicals and Motors mixed as were Machine Makers and Steels.

Metals declined, Minings were predominantly lower, Stores lost ground, while Breweries were unchanged to lower. Buying interest subsided in the Fixed Interest securities.

SWITZERLAND—Swiss stocks firmed in moderate trading.

Banks and Industrials were steady, Insurances mixed, as were Financials, while other categories firmed.

State Bonds were generally well maintained.

Dollar stocks were well disposed, Dutch and German shares maintained.

MILAN—Mixed with early gains eroded by profit-taking.

Bonds moved higher in thin trading.

OSLO—Quiet, with Banks steady.

VIENNA—Generally narrowly mixed.

COPENHAGEN—Firmer undertone in fair dealings.

HONG KONG—Lower in decreased trading.

Hong Kong Bank were down 10 cents to $HK21.30, Hong Kong Land 10 cents to 8.15, Hutchison 2½ cents to 2.475, Jardine 30 cents to 25.70, Swire Pacific "A" 25 cents to 8.50, Hong Kong Electric 5 cents to 4.65, China Light 30 cents to 19.00 and Hong Kong Telephone 10 cents to 19.00.

Hong Kong and Kowloon Wharf however, were up 10 cents to $HK16.20.

TOKYO—Mixed in limited trading, in the absence of encouraging factors. Volume 170m. (160m. shares). Market was dampened by an increase balance of margin purchases and a growing concern over the Lockheed affair.

Marubeni fell Y13 to 302—it was allegedly involved in the Lockheed case.

JOHANNESBURG — Market tended to drift downwards, with movements restricted to 5 or 10 cents.

Golds were easier, as were Mining Financials. In Coppers, Minorco moved up 10 cents to R280 on London buying. Platinums held steady at the lower levels.

AUSTRALIA — Generally unsettled in quiet trading, after a hesitant start. Late support lifted some sectors, particularly Uraniums and Constructions.

Pancontinental rose 40 cents to $A14, Peko-Wallsend advanced 15 cents to $A5 and Queensland Mines improved 5 cents to $A2.2.

Leighton rose 7 cents to 72 cents and Jennings put on 8 cents to $A1.58, each reflecting a strong profit performance.

Bougainville were unchanged at $A1.05—its sharp fall in profits came too late to affect trading.

Bank of NSW firmed 2 cents to $A6.52, while Philip Morris were lifted 28 cents to $A8.48 in belated recognition of its higher results.

Chown moved up 13 cents to $A1.80 on a takeover offer value at $A1.93.

OTHER MARKETS

Canada moves up

Blue Chips paced broadly higher Canadian Stock Markets in moderate to active trading yesterday morning.

Hudson's Bay were up $⅞ at $18 and Massey-Ferguson $⅝ at $24⅞.

In Banks Royal rose $¼ to $28⅞, Canadian Imperial $⅝ to $26 and Bank of Nova Scotia $⅜ to $41⅞.

Indices

NEW YORK

DOW JONES AVERAGES

STANDARD AND POORS U.S. STOCK INDICES

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Feb. 5	Jan. 29	Jan. 22
On Dividends	5.56	5.43	5.44
On Earnings	9.26	8.97	8.99

OVERSEAS SHARE INFORMATION

NEW YORK

Stock	Feb. 9	Feb. 6
Addressograph	11¾	11⅝
Aetna Life & Cas.	25⅞	25¾
Air Products	76¾	77⅜

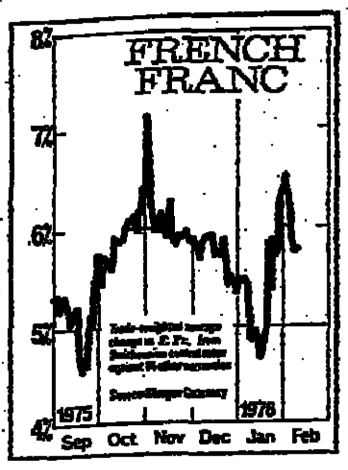
£ weaker

Sterling fell to its lowest level ever against major currencies yesterday, with the Bank of England calculation for its trade-weighted average depreciation widening to 30.4 per cent. from 30.3 per cent. The depreciation stood at *30.3 per cent.* at noon and 30.4 per cent. in early dealings. The pound opened at $2.0275-$2.0285 in terms of the U.S. dollar and eased to $2.0215-2.0225, *before* improving at the close to $2.0265-$2.0275, a fall of 10 points on the day.

The U.S. dollar lost ground against most other currencies, and its trade-weighted average depreciation, as calculated by Morgan Guaranty of New York on noon rates, widened to 2.83 per cent. from 2.80 per cent.

The French franc remained under heavy pressure with the French authorities giving support to the franc, to steady its rate of decline against the D-mark. The Banque de France was estimated to have sold between $150m. and $350m. and also a substantial number of D-marks. Recent support for the French unit by the Banque de France is probably in excess of $1bn., leading to growing speculation that there may be a change of parities between the currencies in the European "snake." Some other European central banks intervened in the market, with support for the Danish krone being given by the German authorities and further assistance for the Belgian franc from the Dutch central bank.

Gold lost $½ to close at $129-130, and the krugerrand finished at $132¾-134¾ (£65½-66½) in both the domestic and international markets. Its premium over the gold content widened to 3.28 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Feb. 9	Feb. 6
Sterling	0.577125	0.577616
U.S. dollar	1.17064	1.17152
Belgian franc	45.8247	45.9355
Deutsche mark	2.99824	3.01549
French franc	5.23013	5.51493
Italian lira	—	—
Japanese yen	352.831	353.213
Dutch guilder	3.11917	3.12210
Swedish krone	5.11394	5.11954
Swiss franc	3.02259	3.02259

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Feb. 10	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.552-553	57.08-13	6.516-520	5.170-175	95.85-90	99.15-25
N. York*	39.10-12	—	22.33-35	2.546-548	2.027-028	37.50-52	38.20-34
Paris	174.95-36	4.4702-4202	—	11.398-425	9.064-0855	167.975-375	175.6¼-6¾
Brussels	15.34-37	39.18-22	8.75-77	—	79.41-54	14.70-72	15.21-24
London	5.17-18	2.0265-75	9.06¼-07¼	79.36-55	—	5.39-40	5.21¼-22¼
Am'erdam	104.175-226	2.6617-42	59.495-536	6.7905-56	5.3925-75	—	103.425-475
Zurich	100.79-88	2.5738-48	57.58-63	6.565-5725	5.2150-85	96.72-78	—

U.S. $ in Montreal. U.S. $=99.54-56 Canadian cents. Canadian $ in New York $C=100.46-48 U.S. cents. U.S. $ in Milan closed. Sterling in Milan closed. *Rates for Feb. 9.

EURO-CURRENCY INTEREST RATES*

Feb. 10 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	9⅛-9⅜	4⅝-5⅛	7¼-8¼	4-4¼	3¼-3½	1⅛-1⅜

GOLD MARKET

FOREIGN EXCHANGE

FORWARD RATES

GERMANY ◆

MILAN

AUSTRALIA

JOHANNESBURG

PARIS

BRUSSELS/LUXEMBOURG

TOKYO ¶

SWITZERLAND ◆

AMSTERDAM

STOCKHOLM

COPENHAGEN

SPAIN ▼

VIENNA

OSLO ◆

CANADA

FARMING AND RAW MATERIALS

...ll for ...al price ...mula

... Own Correspondent

NAIROBI, Feb. 10.

...S MINISTER of Agri- ...Mr. Nyagah, urged sisal- ...g countries to find a ...for establishing prices ...e opened the tenth ...f the inter-Governmen- ...p of hard fibres now ...here.

...es have come from ...f the hard fibre- ...countries. Mr. ...said the sudden fall ...prices in the 1974-75 ...ad seriously affected ...try in Kenya and many ...had switched to other

...orted the group, meet- ...rica for the first time, ...ays of sustaining the ...in which prices had ...ctuating for the past

...fibres, he said, could ...effectively with syn- ...t results could not be ...by pushink down the ...natural fibres.

...Sahara ...sphate ...ng resumes

...A. SAHARA, Feb. 10.

...OPERATIONS resumed ...osphate deposits here ...g closed down for two ...ile the disputed West- ...a was being handed ...pain to Morocco, com- ...ials said.

..., the officials said the ...nveyor belt that takes ...ate to the ocean near ...as still being repaired ...g cut at four points ...urs three weeks ago, ...mines were originally ...reopened.

...of 350,000 tonnes of ...eady for shipment at ...depot, while ore from ...perations was being ...the minehead.

...he accord by which ...ed the Saharan terri- ...rocco and Mauritania, ...ins 35 per cent. of the ...company. Fosbucraa, ...controlled by the ...Government agency, ...acional de Industria.

...aining 65 per cent. will ...to the Moroccan State ...ce, Cherifien des Phos- ...hich produced 13.2m. ...phosphate from its own ...orth Morocco last year.

New pressure for bigger rise in EEC farm prices

BY ROBIN REEVES

PRESSURE is mounting for the Brussels Commission and the EEC Council of Agricultural Ministers to concede a larger increase in farm prices than the proposed 7.5 per cent.

This became more obvious here to-day as the European Parliament debated a recommendation from its Agricultural Committee, which is seeking an average rise in the EEC farm prices for 1976-77 of 9.5 per cent. The signs are that the higher figure will attract majority support when the recommendation is put to the vote on Thursday.

Furthermore, it seems bound to be used by the many agricultural ministers who are unhappy at the price increase proposed. Mr. Fred Peart, U.K. Minister of Agriculture, has been almost alone in expressing the view that the Commission's 7.5 per cent. is already on the high side.

Not to be outdone by the Parliament, Sir Henry Plumb, as leader of the European farmers organisation, COPA, called a Press conference here to-day to reiterate the organisation's demand for an average price rise of 10.6 per cent.

Sir Henry pointed out that, because of accompanying arrangements to restore EEC farm market unity, the true Commission rise worked out at an average of only 5.8 per cent. It certainly did not recoup most producers' costs.

The draft opinion of the Parliament welcomes the Commission's proposal for a two-tier price rise for milk, but it regards the 2 per cent. in March and 4.5 per cent. in September as far too low.

It also endorses in principle the plan to incorporate 600,000 tonnes of surplus skim milk powder in animal feeding stuffs. But it calls on the Commission to raise the subsidy involved to ensure that pigmeat and poultry producers are not required to bear the "substantial additional rise," in production costs.

On the variable beef premiums which Mr. Peart declares he is determined to keep, the Parliament goes along with the Commission's view that they should be phased out.

Mr. James Scott-Hopkins, of the European Conservative group, has tabled an amendment which says that the Parliament believes the British system should be retained as an additional safeguard against the 1974-75 beef market situation arising again.

Once the Parliament has delivered its view on Thursday, the final phase of the negotiations on this year's annual farm prices package is due to start next Monday. Ministers are planning two days of hard bargaining, followed by what it is hoped will be the final round of negotiations in the week after.

Agreement may have to wait until March partly because of the intractable wine dispute between Italy and France.

Japan metals stockpile agreed

TOKYO, Feb. 10.

A PLAN TO help the Japanese non-ferrous metal industry to establish a buffer stockpile of copper, lead, zinc and aluminium, with Government assistance, has been approved by the Japanese Cabinet, according to the Ministry of International Trade and Industry, reports Reuter.

Under the plan, non-ferrous metal smelters would set up stockpiling organisations, to which the semi-official Mining Industry Corporation would supply funds totalling Y30bn. (over £49m.) borrowed from commercial banks with a Government guarantee of repayment, it said.

The loans would carry a subsidised interest rate of 6.5 per cent. per annum.

Provisions are made for Y369m. of interest payment subsidies and Y30bn. for Government repayment guarantees in the national budget for the fiscal year, 1976, now before the National Diet (Parliament).

Industry sources said they were hoping to build up a buffer stockpile of 70,000 tonnes of copper, 9,000 tonnes of lead, 25,000 tonnes of zinc, and 55,000 tonnes of aluminium under the plan, but added that this would depend on prices.

Our Commodities Editor writes: Japan at present holds much greater stocks of surplus copper than the amount envisaged for the stockpile, owing to the Government ban on exports.

Details of the stockpile plan have been known for some time and have caused some concern among European fabricators, who are worried that their Japanese rivals will receive a considerable advantage from the artificially low interest rates on loans.

● Tin prices moved up again on the London Metal Exchange yesterday, but failed to reflect fully a substantial rise of $M13, to $M996 a picul, for Straits tin in Penang overnight.

It was felt that the Malaysian market was largely catching up with London. Buying interest was much more subdued than on Monday, except for high-grade cash tin which jumped by £27.5 to £3,245 a tonne, as one persistent buyer found sellers generally reluctant.

Commodity fund assurance

TOKYO, Feb. 10.

UNCTAD DID not envisage replacing the market mechanism in setting up the common financing fund for commodities discussed at the recent Manila conference, said Mr. Gamani Corea, Unctad secretary-general.

After meeting Japanese officials, he said the fund's purpose was mainly to establish floor and ceiling prices and improve the workings of the market by removing its more disruptive aspects.

The proected fund would finance the build-up of buffer stocks of important commodities.

Unctad also looked towards an integrated framework for commodities, within which negotiations could be undertaken on a case-by-case basis, said Mr. Corea, who arrived here from the meeting in Manila of the "Group of 77" developing nations.

This would provide producer countries with a political will which could givbe the negotiations an added dimension, beyond purely commercial factors.

Commodity negotiations often involved a whole economic sector in a developing country and should be broadened beyond purely commercial price bargaining to take this into account, he added.

The May Unctad meeting in Nairobi would give member nations the chance to take a significant decision on the way Unctad could evolve in the future.

Reuter

Big rise in farm rents last year

By Peter Bullen

FARM RENTS soared by 21.6 per cent. in the 12 months up to October 1975, a Ministry of Agriculture report shows.

The average rent of agricultural land in England and Wales jumped from £7.4 to £9 an acre. The 21.6 per cent. rise compared with 12.4 in the previous 12-month period and is partly accounted for by the lifting of Government restrictions on rent increases in May 1975, says the report, released yesterday.

In the preceding eight years, the annual increase in the average rent had varied from a low of 4.7 per cent. in 1970/71 to a high of 7.1 per cent. in the three years between 1966/67 and 1968/69.

Nearly 26,000 holdings were covered by the Ministry's enquiry last year, covering 3.7m. acres, or 29 per cent. of the total area of tenanted land in England and Wales. By regions, the average rent varied from £5.3 an acre in Wales, to £11.9 for land in the eastern counties.

London coffee prices fall

By Richard Mooney

COFFEE VALUES in London fell back yesterday for the first time since last week's Guatemalan earthquake.

Prices opened steady on the London terminal market and the May position tested the psychological £900-a-tonne barrier before slipping back to close £12 down on the day, at £882.5 a tonne.

In New York, prices opened lower, but a renewed rise in later dealings too nearby positions to new peak levels. The rise was attributed to technical tightness of supplies.

Latest reports from Guatemala confirm that the coffee crop was not damaged by the earthquake, but that the country's main export route,

WORLD SUGAR ESTIMATE

RATZEBURG, Feb. 10.

Sugar statistician F. O. Licht, in his estimate of the 1975-76 world sugar balance (September/August), puts final stocks at 18,972,000 tonnes raw value, against a revised 16,893,000 in 1974-75.

He estimates production at 83,052,000 tonnes (against a revised figure of 79,600,000 for 1974-75) and consumption 80,999,000 (78,498,000).

Reuter

SIERRA LEONE

A grim year for mineral exports

BY ALAN RAKE

LAST YEAR was grim for Sierra Leone. Diamonds, which account for 55 per cent. of the country's exports, had their worst year in recent memory.

At the same time, the only iron ore company operating in the country, Delco, had a catastrophic year. In October the company (85 per cent. owned by the Scottish concern, William Baird's) had to close its mine and put it into liquidation. There is little chance of a rescue operation being mounted in the immediate future.

The consequences of the Delco closure are still rippling through the economy of this tiny African nation (population under 3m.), which depends on mineral exports for 71 per cent. of its income.

At a stroke, the country lost 10 per cent. of its exports and 3,000 workers were put out of their jobs. The Sierra Leone Petroleum Refining Company also lost its best customer for heavy gas and oil.

The refinery is left now with a surplus on its hands which costs more to produce than the price obtainable on world markets.

Many schemes have been put forward for rescuing the Delco operation. Most of the workers are still living in the mine compounds and living off their gratuities.

A mysterious Greek financier called Salinas said he would have the mine working in a couple of weeks, but he has since vanished with the promises. The main hope lies now with the American giant, Bethlehem Steel. It has made offers in the past, in happier times, which the Sierra Leone Government turned down.

Now Bethlehem is prepared to return. Its representatives are expected to take another look early in February. But this time it will only be interested in looking at the existing mine at Marampa, with its valuable infrastructure, port, railway and equipment, and the other major prospect at Tonkolili that has intrigued geologists from most major countries.

Tonkolili is rich, but the ores are so complex and mixed with phosphorous and silicate that it demands expensive new technology. But Bethlehem engineers think there may be less complex ores under the capping.

The company will only mount a rescue operation providing it can look at Marampa and Tonkolili together, do proper surveys and investigate the possibility of a joint pelletisation plant. All this would take time, so there seems little chance that Sierra Leone's iron-ore exports will be restored in the next two years at least.

But it was the fall in diamond production and sales, not Delco, that was almost entirely responsible for the fall in Sierra Leone exports last year. Bad weather, a withdrawal of the Lebanese financiers from the diamond fields and poor world markets all contributed to the decline.

Diamonds

For the first time last year, warnings that diamond production would eventually fall, seemed to have become a reality.

Diminco (the company, 51 per cent. State owned and the rest managed and owned by Selection Trust) saw its production down from 790,000 carats in 1974 to 738,000 in 1975, with values down from £20.6m. to £18.4m.

The decline is not great, but it is significant because Diminco has always held production at around 790,000 carats. For the first time, the company has dropped its planned production rate.

But it is finding that its costs are rising continually. Over the past two years costs rose 17.5 per cent., while diamond prices last year rose by only 4.5 per cent.

Mr. B. M. Sandy, the chairman of Selection Trust, said in his annual report: "Without drastic modifications to the scale of operations, the company is not expected to remain viable for much longer. We have had a difficult and trying year."

The Sierra Leone Government does not accept this analysis and is threatening to take over the company management, in the words of President Siaka Stevens, "to see what the real position is."

If Diminco folded like Delco, the consequences would be enormous. It accounts for 61 per cent. of total diamond exports and 32 per cent. of total national exports.

Meanwhile, production from the alluvial miners, who pan for diamonds in the river beds is worse. Many of their workings were washed out by heavy rains. Lebanese financiers have been withdrawing their support so that alluvial mining slumped from 917,000 carats in 1974 to 645,000 in 1975.

The days of the boom in 1969, when the town of Koidu was mined dry up to the very foundations of the buildings are now definitely over. Because of poor world markets, smuggling of Sierra Leone diamonds through Liberia and Guinea has also dropped to the lowest levels in recent times.

Bauxite production continued quite steadily from the Sieromco (Sierra Leone Ore and Metal Company), a wholly owned subsidiary of Alusuisse at Mokanji. Its mines has been working smoothly, without major technical hitches, pushing production up from 10,000 tons of bauxite ore when it started in 1963, to a steady 700,000 to-day. More could be produced, but Alusuisse would find the marketing difficult in to-day's depressed markets.

Since July, 1972, Sieromco has been exploring another area for bauxite around Port Loko—an area where it could make use of the abandoned Delco railway, bridges and power. It is continuing to prospect and has already proven 70m. tonnes of ore.

The company is confident that it will eventually prove 100m. tons of ore reserves—enough to make more than 30m. tons of alumina—and it has plans to put up an alumina plant which could be kept working fully for 30 years at least.

It would be prepared to let the Sierra Leone Government have a majority participation in the new mining venture at Port Loko, but a large international consortium would have to be lined up to invest the $500m. required for an alum'na plant. The earliest this could be established, if plans went ahead in 1978, would be 1981.

EEC increases rapeseed export subsidy

BRUSSELS, Feb. 10.

THE EEC Commission had raised the export rebate on rapeseed from 9.5 to 10.2 Units of Account per 100 kilos, an EEC official said. The increase did not apply to rapeseed oil.

The Commission had also amended the validity of rice import certificates to 45 days, effective immediately.

Reuter

...MMODITY MARKET REPORTS AND PRICES

METALS

Marginally lower again on ...etal Exchange in relatively ... Stale bull liquidation and ...ling from one quarter out- ...rt-covering against earlier ...e-l. Forward metal traded ...e time in the morning but ...fell back to £602.5 before ...4.5 on the afternoon Kerb. ...25 tonnes.

...d Metal Group reported that ...g, cash wirebars traded at ..., three months £604, 03.5.

Cathodes: cash £575, three months £592.5. Kerbs: Bars: cash £585, three months £603.5, 03. Afternoon: Wirebars: mid Feb. £565, three months £603, 02.5, 03, 03.5. Kerbs: Bars: three months £603.5, 604.

TIN—Firmer, especially High Grade cash metal which was subject to demand from one quarter which found sellers reticent until the higher levels were reached. Prices were initially buoyed by the fresh advance in Penang but there was little follow through to the recent physical demand and profit-taking limited gains. Standard forward metal traded at £3,275 before closing at £3,264 on the afternoon Kerb. Turnover, including carries, 960 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3215-25	+2.5	3240-50	+27.5
3 months	3275-85	......	3270-80	—3.5
Settlem't	3225	......	—	......
Standard				
Cash	3200-3	+9	3200-5	+7.5
3 months	3260-5	+15	3260-4	+16.5
Settlem't	3203	+8	—	......
Straits E.	$996	+15	—	......
New York	—	......	—	......

Standard: cash £3,205, 04, 03, three months £3,275, 70, 68, 65. High Grade: three months £3,300. Kerbs: Standard: three months £3,262. Afternoon: Standard: three months £3,262, 63, 64, 65, 64. High Grade: cash £3,350. Kerbs: Standard: three months £3,263, 64. High Grade: three months £3,277.

LEAD—Edged higher, again reflecting general expectations of support buying on behalf of producer interests in the near future. Some quarters thought it possible that modest buying from that quarter might have been carried out in forward metal. Turnover 10,925 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	166.75-7	+.125	166.75-.7	+.375
3 months	172.25-.5	......	172.25-.5	+.5
Settlem't	167	......	—	......
N.Y. Spot	—	......	19-22¾	......

Morning: cash £167, three months £172.25, 72.5, 72.75, 72.5. Kerbs: cash £167, three months £172.25, 72.5. Afternoon: three months £172.5.

ZINC—Lost ground. After a steady opening where offerings of cash metal were well taken by physical demand from the Continent, prices turned easier owing to lack of follow through. Forward metal ended at £346 on the afternoon Kerb with cash metal quoted at £335. Turnover 5,095 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	337-.25	—.5	335.75-6	—1.575
3 months	347.75-8	—.875	347-.25	—.75
Settlem't	337.25	—.5	—	......
Prim. West	—	......	*37.9	......

Morning: cash £337.25, 37.5, 37.25, three months £348, 48.25, 48, 47.75. Afternoon: three months £347.5, 47.75, 47.5. Kerbs: cash £335, three months £346.5, 46.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 1.95p an ounce lower for spot delivery in the London bullion market yesterday, at 194.95p. U.S. cent equivalents of the fixing levels were: Spot 395.4c, down 4.3c; three-month 40[illegible], down 4.9c; six-month 406.4c, down 5c; 12-month 422.9c, down 4.6c. The metal opened at 195-196p (394½-396½c) and closed at 195.1-196.1p (395½-397½c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	194.95p	—1.95	196p	[illegible]
3 months	199.55p	—2.85	200.85p	[illegible]
6 months	204.55p	—2.05	—	[illegible]
9 months	—	......	207.75p	[illegible]
12 months	216.35p	—2.05	—	[illegible]

LME—Turnover 135 (182) lots of 10,000 ozs. Morning: Three months 199.5, [illegible] 9.2, 9.2. Kerb: Three months [illegible]. Afternoon: Three months 200, 199.8, 9.9, 200.8, 0.8, 201, 200.8. Kerb: Three months 200.8, 6.7, .07, 0.8.

COCOA

Modest buying interest kept the market very steady during morning trading, but prices gave ground later when follow-through buying failed to develop, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Contract			
March	754.5-5.0	—4.0	766.0-[illegible]
May	737.5-8.0	—3.5	748.0-[illegible]
July	726.5-7.0	—4.0	737.0-[illegible]
September	707.0-8.0	—2.75	718.0-[illegible]
December	685.0-6.0	—2.75	697.0-[illegible]
March	676.0-7.0	—2.25	686.0-[illegible]
May	670.0-2.0	—2.0	—

Sales: 2,940 (1,773) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 66.56 (65.82) U.S. cents per pound. Indicator 15-day average 65.03 (64.[illegible]). 22-day average 64.39 (64.27).

FREIGHTS

DRY CARGO—Chartering was on a very small scale, with little fresh inquiry and rate levels unchanged. A grain cargo was booked from U.S. Gulf to Philippines at $11.50 f.i.o. for Feb. and a soyabeanmeal cargo from Norfolk or Savannah to two ports Eire at $13 f.i.o. for Feb. A cargo of grain, 44,900 long tons, was also booked from Mississippi River to Ghent-Hamburg range at $18[illegible] f.i.o. for Feb.-March. Time charter activity was also on a reduced scale, but a vessel of 34,750 long d.w.t. was booked for a voyage from Black Sea to China at $3,200 daily Feb. Overnight, a large cargo of ore was covered from Cape Lambert to Continent at $4.50 f.i.o. for Feb.

COFFEE

Robustas closed barely steady after morning trading. Trade sources said the market declined on hedge selling against recent physical purchases, made more attractive by recent high prices, and profit-taking.

The market continued to decline during the afternoon on New York, closing easier. Arabicas closed quietly steady with values as much as 150 points down.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
March	870-873	—10.0	885-873
May	882-883	—12.0	900-882
July	892-893	—12.0	911-892
September	901-903	—12.5	922-902
November	911-912	—11.5	927-912
January	916-922	—10.0	936-924
March	918-928	—10.5	—

Sales: 1,985 (3,296) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild Arabicas 106.75 (106.60). Other Mild Arabicas 102.00 (100.50). Unwashed Arabicas Santos Fours 120.00 (119.50). Robustas 82.88 (81.88). Daily average 102.75 (91.19).

ARABICA CONTRACT (in order buyer, 113.00-115.00, nil; June 113.00-114.00, 1; Aug. 113.00-115.00, nil: June 13.00-114.00, 1; Aug. 112.00-113.00, 5; Oct. 113.25-113.50, 8; Dec. 112.75-113.00, 2; Feb. 113.05-113.75, 2. Sales 20.

RUBBER

FIRM opening on the London physical market. Fair interest throughout the day, closing uncertain. Lewis and Peat reported a Malaysian godown price of 182 cents a kilo (buyer, March).

SUGAR

SOYABEAN MEAL

GRAINS

WOOL FUTURES

MEAT/VEGETABLES

JUTE

COTTON

... so far to 367 tonnes. Lack of enterprise brought only a quiet offtake, mostly in American-type varieties. Turkish and East African were in fair request, with occasional support in some of the finer long-staple qualities, F. W. Tattersall reports.

★

COPRA—Philippines: Feb. $200, March $202.50, April $205 re-sellers per tonne c.i.f. North Euro ports.

★

HIDES—Birmingham. Generally stable to firm but with a large proportion of the offering unsold. Second clear ox 31-35½ kilos 35.6p per kilo: 26-30.5 kilos 42p; 22-25.5 kilos 45.2p. Light cows 44p. No calf offered.

LESS SWISS MEAT AND GRAIN

ZURICH, Feb. 10.

THE SWISS Cereals Administration announced that deliveries of bread grains by Swiss agriculture were down by 22.6 per cent. last year, compared with 1974 levels, while meat production dropped 3.9 per cent.

The fall in meat output is attributed to the decline in slaughterings and, in part, to lower average deadweights. Milk deliveries increased by 1 per cent. over the year, however, and those of eggs by 8.1 per cent.

PRICE CHANGES

Prices per ton unless otherwise stated.

FINANCIAL TIMES

Feb. 9	Feb. 6	Month ago	Year ago
178.94	178.65	177.44	178.32

(Base: July 1, 1952=100)

REUTER'S

Feb. 10	Feb. 9	Month ago	Year ago
1217.6	1212.9	1197.5	1099.0

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Feb. 9	Feb. 6	Month Ago	Year ago
Spot	303.62	300.62	303.76	350.58
Futures	297.42	295.48	297.16	323.41

(Average 1924-25-26=100)

MOODY'S

Moody's	Feb. 9	Feb. 6	Month ago	Year ago
Staple Comm'ty	773.8	770.3	762.2	786.8

(Dec. 31, 1931=100)

★

GRIMSBY FISH—Supply poor, demand good. Prices at ships side (unprocessed) per stone: Shelf cod £2.20-£2.60, Codlings £1.80-2.00; Shelf haddock large 2.50, Medium £2.50, Small £1.90. Medium skinned dogfish £3.80, Large £3.50; Saithe £1.10-£1.30.

U.S. Markets

Sharp rally in sugar, coffee up

NEW YORK, Feb. 9.

PRECIOUS metals declined on renewed speculative liquidation, while further increases in LME stocks served to ease copper futures. Sugar futures rallied sharply on rumours of substantial Soviet purchases, while coffee scored new historic highs following further devastation in Guatemala. Cocoa advanced on chartist and Commission House buying, while grains eased under the weight of commercial hedge pressure, Bache reports.

Cocoa—Ghana spot 76½ (76). Bahia spot 72½ (72). March 68.70 (68.28), May 65.55 (64.85), July 63.20, Sept. 61.25, Dec. 58.05, March 57.30, May 56.55, July unquoted. Sales: 1,103.

Coffee—"C" Contract: March 102.95 (100.95), May 101.90 bid (99.90), July 101.83 bid, Sept. 101.60 bid, Dec. 100.55 bid. Sales: 440.

Copper—Feb. 55.20 (55.30), March 55.40 (55.60 settlements), April 55.90, May 56.20, July 57.10 settlements. Sales: 1,615.

Cotton—March 58.50-58.70 (59.15), May 59.70-59.75 (60.32), July 60.50, Oct. 59.75, Dec. 57.77, March 58.35-58.50, May 58.55-57.70, July 58.85 bid. Sales: 3,750.

ΦGold—Feb. 129.80 (130.60), March 129.90 (130.80), April 130.20, June 131.30, Aug. 132.50, Oct. 133.80, Dec. 135.10, Feb. 136.50, April 137.80, June 139.30. Sales: 1,105.

Greasewool—Spot 167.5 nom. (same), March 163.0-169.0 (163.0), May 162.5-168.5 (162.5), July 161.1-165.0, Oct. 160.0-164.0, Dec. 160.0-165.0, March 160.0-165.0, May nil.

† Lard—Chicago loose 18¾ nom. (19¼), NY Prime steam 20½ asked (20½).

††Maize—March 265½-265½ (268½), May 271½-271½ (272½), July 275½, Sept. 271½, Dec. 266½-266, March 272½-272½.

‡ Platinum—April 139.00 (139.50), July 141.20-141.30 (141.80), Oct. 143.40-143.50, Jan. 146.30-146.40, April 149.30-149.40, July 151.90-152.10. Sales: 102.

‡‡Silver—Spot 397.00 (400.40). Feb. 394.40 (397.60), March 395.80 (399.00), April 398.20, May 400.70, July 405.90, Sept. 411.20, Dec. 410.80, Jan. 422.60, March 428.30, May 434.10. Sales: 4,634.

*Soyabeans—March 476½-476 (475½), May 485-484 (486½), July 491, Aug. 495, Sept. 499, Nov. 504-504½, Jan. 511½, March 519, May 524½.

bSoyabean Meal—March 133.30-133.50 (135.00), May 136.50-134.20 (137.60), July 138.20-139.30, Aug. 139.50, Sept. 139.50-140.00, Oct. 139.50-140.50, Dec. 143.50-144.00, Jan. 145.00-147.00.

Soyabean Oil—March 16.25-16.20 (16.32), May 16.40-16.35 (16.44), July 16.50-16.55, Aug. 16.60, Sept. 16.70, Oct. 16.70-16.80, Dec. 16.85, Jan. 16.80-16.90.

Sugar—Spot 13.70 (13.30). March 13.74-13.67 (13.36), May 13.75-13.66 (13.40), July 13.74-13.68, Sept. 13.74-13.70, Oct. 13.72-13.67, Jan. 13.66 nom., March 13.66, May, 13.65, July 13.65 nom. Sales, 4,997.

Tin—301.00-321.00 asked (296.50-316.00 asked).

**Wheat—March 353½-353 (353½), May 359½-359 (359½), July 362-362½, Sept. 368½-369, Dec. 379, March 389.

WINNIPEG, Feb. 9. ††Rye—May 248 bid (252½ bid), July 244 bid (247½ bid), Oct. 238 asked, Nov. 232 bid, Dec. Unquoted.

cOats—May 161 (161½ bid), July 158 asked (156½ asked), Oct. 153, Dec. unquoted.

§Barley—May 226½ (229), July 228½ nom. (226½ bid), Oct. 321½ nom., Dec. unquoted.

dFlaxseed—May 665 bid (665), July 657 bid (671 asked), Oct. 657 asked, Nov. 660, Dec. 660.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 475 (475½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Imperial Group's results help modest rally in equities

Index up 3.5 at 403.3, after 397.2—Gilts well above worst

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 26	Feb. 5	Feb. 6	Feb. 17
Feb. 9	Feb. 19	Feb. 20	Mar. 2
Feb. 23	Mar. 4	Mar. 5	Mar. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets began to show signs of resilience late yesterday, after Monday's sharp setback. Further Press comment on the short term outlook for interest rates saw Gilts initially react afresh by up to ¾ at the longer end before a recovery left final quotations only ⅜ lower on balance. The Government Securities index eased 0.17 more to 63.10.

Equities moved in a similar fashion, but with the additional fillip in the last half-hour or so of trading of good results from Imperial Group, up 3 at 87p, earlier losses of one or two pence in the leaders were replaced by gains of that amount by the close. The pattern of the day's movements was well illustrated by the FT 30-share index which, after touching its lowest at 10 a.m. with a fall at 2.4, recovered to show a small improvement of 0.4 at 3 p.m. before closing a net 3.5 higher at 403.1. Trading throughout was extremely slow, this being reflected in official markings of 6,498 compared with 8,148 on Monday.

The improvement in the leaders came too late to affect second-line equities, where scattered small losses were the order of the day. Falls led rises by 7-4 in FT-quoted Industrials, while the FT-Actuaries All-Share index shaded 0.3 per cent. to 166.26.

Gilts rally late

Latest economic pointers and a bearish Press yesterday militated against a recovery in long-dated British Funds and fresh losses extending to nearly a point were evident at one stage. Buyers were wary until the early afternoon when a report that a U.S. economic adviser saw a tendency for lower interest rates there over the next six to twelve months apparently whetted their appetite. A swift recovery then took place which left maximum falls of ¾, and these were further reduced in the inter-office trading. The shorts meanwhile opened a shade lower with the emphasis on high-coupon stocks and then fluctuated before closing on a mixed note. The market was unaware of the late agency correction to the U.S. interest rates message; this said that the adviser was referring to mortgage rates only and not the general level of interest rates.

It was another quiet day in the investment currency market and the premium again closed unaltered at 113¼ per cent. Yesterday's S.E. conversion factor was 0.6008 (0.6000).

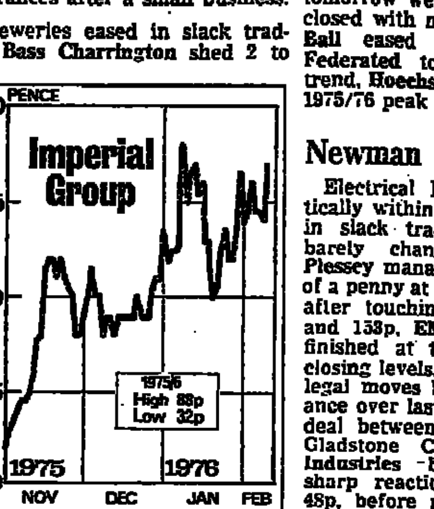
Monday's newcomer Brasilvest S.A. remained inactive, the Depositary shares opening and closing at the placing price of $U.S.10,500.

Hk. and Shanghai down

Steadier conditions returned to the big four Banks after Monday's shake-out and by the close improvements of 3 were seen in both Midland, 288p, and National Westminster, 253p. Lloyds closed unaltered at 245p, but Barclays remained friendless at 313p, down 2. The preliminary results of Hongkong and Shanghai were considered disappointing and the shares touched 336p before closing 10 down on the day at 338p in Overseas issues. Discounts were irregular, with Seccombe Marshall and Campion 15 lower at 280p and Allen Harvey and Ross 5 better at 475p, both in thin markets. A Press report suggesting that Hambros could be first in a long "rights" issue queue among Merchant banks left the shares 10 down at 208p. Wagon Finance shaded 3 to 56p in Hire Purchases, were UDT (interim results due to-day) recovered from early softness to close unaltered at 27p.

Narrow mixed price movements were the order of the day in Insurances after a small business.

Breweries eased in slack trading. Bass Charrington shed 2 to 108p, but Allied rallied late to finish unaltered at 73p, after 71½p. Elsewhere, Distillers closed a shade easier at 145½p, after 143p, and Matthew Clark gave up 4 to 56p.



Although Buildings saw a little more business than of late, movements were usually restricted to a penny of two. Tunnel "B" were notable for a fall of 4 to 192p, while International Timber, 108p, and Marchwiel, 115p, shed 2 apiece. SGB gave up 2 at 101p despite the chairman's encouraging view of the company's prospects. R. Costain reacted to 208p before recovering to close a penny better on balance at 212p, while the Australian-based A. V. Jennings were marked up 8 to 160p in line with markets down-under.

ICI, the day's most active stock, typified market conditions, easing to 372p before rallying to close unchanged on the day at 375p; the preliminary figures are expected tomorrow week. Other Chemicals closed with modest losses. W. W. Ball eased 2 to 38p as did Federated to 58p. Against the trend, Hoechst were raised 15 to a 1975/76 peak of 580p.

Newman dip and rally

Electrical leaders moved erratically within fairly narrow limits in slack trading before closing barely changed on the day. Plessey managed an improvement of a penny at 77p, while GEC, 151p, after touching extremes of 149p and 153p, EMI, 251p, after 248p, finished at the previous night's closing levels. Elsewhere, news of legal moves by Prudential Assurance over last year's controversial deal between Thomas Poole and Gladstone China and Newman Industries brought a further sharp reaction in the latter to 48p, before rallying to end only a penny cheaper on the day at 55p. Racal Electronics were noteworthy for a loss of 8 at 222p, after 219p, as were Ward and Goldstone at 92p, down 4, while Henry Wigfall eased 3 to 205p and R. and A. G. Crossland 2 to 20p. However, Dale Electric, after Monday's rise of 5 on Press comment, ended a penny harder at 137p.

Dull for much of the day, Stores staged a late rally and closed modestly better on balance. UDS finished 3 up at 92p with the help of a bear squeeze, while Marks and Spencer were 2 better at 106p and House of Fraser 3 harder at 90p. After recent weakness, "Gussies" "A" were marked down afresh to 209p in order to establish a trading level before recovering to close only 2 easier on the day at 213p. Secondary issues were generally easier where changed. Forminster shed 3 to 72p. Of the few bright spots, Dewhirst edged up 2 to 58p and Ladies Pride improved 3 to 59p.

Speculative demand following suggestions that Hawker were showing interest in the company lifted John Brown 5 to 83p, after 84p, while the former rallied from 403p to close a net 2 higher at 410p. Other Engineering leaders performed similarly, Tube Investments ending 2 better at 340p, after 336p, and Vickers gaining 3 to 161p. The tendency otherwise was mixed, with Graham Wood Steel 2½ dearer at 31p and Woodhouse and Rixson a like amount harder at 45p, but CompAir 3 easier at 84p. T. W. Ward slipped 1 to 60½p on the "rights" issue and accompanying forecast of a maintained dividend. F. H. Lloyd were quoted ex the "rights" issue with the old at 67½p and the new nil-paid shares at 9¼p premium, after extremes of 10p and 8½p premium. Newspaper mention caused Capper-Neill to harden to 50p.

Slightly easier at 275p around the "House" close, Tate and Lyle later reacted more sharply to close 8 cheaper on balance at 268p on rumours, later denied, of fraudulent or corrupt practices in regard to its sugar transactions with Iran. Other Foods were quiet and little changed. Losses of 3 were sustained by Associated Biscuits, 67p, Cullens Stores, 102p, and Linfood, 230p. Rakusen, however, hardened a penny to 13p. In Supermarkets, Kwik Save Discount closed 3 cheaper at 121p despite favourable Press comment.

CCH Investments ended a penny easier at 28p on the interim profits setback.

De La Rue please

After modestly extending Monday's losses, miscellaneous Industrial leaders picked up in the late afternoon to finish with minor gains on the day. Improvements of around 4 were recorded in Beecham, 344p, after 338p, and Reckitt and Colman, 342p, while Boots, 136p, after 132p, and Bowater, 182p, after 178p, both ended 2 better. Press comment helped Turner and Newall to put on 3 to 168p. Elsewhere, De La Rue featured with an advance of 10 to a 1975-76 peak of 223p, expressing satisfaction with the much better-than-expected third-quarter profits. Manchester Ship Canal closed similarly higher at 180p for a two-day rise of 16, in continued response to the increased dividend and better second-half performance. George Wills, on the warning of 1975 profits below those previously forecast, shed 2 to 48p. Channel Tunnel, 60p, gave up half of the previous day's Press-inspired rise of 10.

ERF, still on Press comment, continued firmly in Motors and Distributors, rising 3 further to 33p for a two-day gain of 8. Lex Service attracted late support, closing a penny harder at 33p, while Lyon and Lyon edged up 2 to 19p. British Leyland contrasted with a fall of 2 to 27p, while Lucas, 214p, and Dowty, 164p, lost a penny apiece. Automotive Products were lowered 2½ to 47p.

A firmer general trend returned to Newspapers where United, 262p, and Daily Mail "A," 200p, both regained 4. Bristol Post were 2 better at 67p following maintenance of the interim dividend. Elsewhere, Lowe and Brydone steadied after recent weakness, rallying 3 to 28p.

Artagen Props. retreat

Activity remained at a low ebb in the Property leaders. Land Securities, 185p, and MEPC, 85p, managed to recoup initial losses of 2 to finish unaltered on balance, but English Property were still 2½ down at 67p. Artagen Properties were a particularly dull spot among easier secondary issues, retreating 9 to 69p on disappointment with the property revaluation accompanying the preliminary results. Berkeley Hambro relinquished 6 more at 132p for a two-day loss of 14, while London Bridge Securities receded 3 to 18p. Also 3 easier were Great Portland Estates, 250p, and Imry Property, 165p, while Hammerson "A" lost 5 at 370p and Brixton Estates shed 2 to 86p. The South African Sorec declined 4 to 68p in reflection of the half-year profits contraction and interim dividend cut.

Oils changed their recent trading pattern when Shell, at 384p, retrieved Monday's loss of 6 and British Petroleum remained at 590p. Burmah eased initially to 44p, but later picked up to close slightly harder at 46p, while Ultramar slipped 2 to 192p. Increased half-yearly profits made no impression on Attock, which stayed at 54p. Among scattered movements in a colourless overseas section was a fall of 10 to 265p in Siebens (U.K.).

Among Overseas Traders, Inchcape closed on a bright note at 390p, up 8, after 380p, while Harrisons and Crosfield recovered 25 to 950p and Paterson Zochonis 20 to 460p.

The Board's firm rejection of the bid approach from European Ferries (2 better at 74p) depressed Felixstowe Dock, which ran back 6 to 136p in Shippings. Reardon Smith "A," however, improved 6 to 96p on renewed speculative interest and, reflecting demand seen late Monday evening, Graig "A" rose 30 to 370p in a thin market. P & O Deferred ended 2 better at 114p, after 111p.

Trusts and Financials generally gave ground with Dalgety 3 off at 221p in front of to-day's interim announcement. Akroyd and Smithers receded a similar amount to 225p and Kakuzi lost 4 at 36p. Far-eastern advices left Jardine Securities 6 lower at 137p. By way of contrast, York Trust rose 3 to 19½p.

Among irregular Textiles, a late rally helped Courtaulds close 2 dearer at 160p, after 156p. Caird (Dundee) edged forward a penny more to 36p, but Stroud Riley lost 3 to 17p, the latter on the interim dividend omission and first-half loss. Tricoville cheapened 2 more to 23p and "Snia-Viscosa" declined 16 to 170p.

The better-than-expected preliminary profits prompted a late rally in Imps, which recovered from 82¾p to close at 87p for a net gain of 3. Elsewhere in Tobaccos, Bats drifted down 2 to 358p.

Guthrie picked up 5 at 174p in quietly firm Rubbers but Clairmace shed 3 to 43p in mixed Teas.

Uraniums undecided

Despite a general recovery in home markets overnight, Australian uranium issues ended the day here showing mixed fortunes. The pack leader of recent times, Pancontinental, fell ¾ to £14¼ but Peko-Wallsend put on 15 at 525p.

Ocean Resources wer[...]

Hill 50 Gold eas[...] following news that its Mt. Magnet go[...] Western Australia ar[...] upgrading of its ore[...] the Cadia, New South[...] copper prospect, P[...] gave up 1 to 14p. F[...] of the proposed ri[...] one-for-four at $1.65 [...] Holdings were 11 off

Gold shares came [...] with the metal price [...] the latter, were ge[...] the day's lowest at [...] bullion price was fi[...] off at $129.50 per ou[...] Gold Mines index [...] 218.2. Southvaal w[...] at 540p after 520[...] ended 5 easier at 62[...]

Financials ended [...] overall trend, the [...] issues losing groun[...] London-based issue[...] wards in line with [...] firmness of the U[...] market. Middle W[...] 315p following the [...] profits.

Platinums drifted [...] ing with Bishopsga[...] 94p. Despite bullis[...] ment, Rhodesian-bas[...] subject to modest [...] and Wankie Collier[...] at 42p. In Coppers, [...] subject to U.S. de[...] on 10 at 230p after [...]

The recent firmne[...] price was reflected [...] firmer Tin share [...] following the good [...] put figure, Ayer Hi[...] to 165p. Despite [...] monthly return for [...] Malayan Tin added [...]

Elsewhere, North [...] to the good at 375p [...] talk of a possible [...] pany. Tara added [...]

FINANCIAL TIMES STOCK INDI[CES]

—	Feb. 10	Feb. 9	Feb. 6	Feb. 5	Feb. 4
Government Secs.	63.10	63.27	63.84	64.15	64.48
Fixed Interest	62.89	63.30	64.03	64.10	64.09
Industrial Ordinary	403.1	399.6	407.7	410.0	414.4
Gold Mines	218.2	225.0	223.7	219.7	223.1
Ord. Div. Yield %	5.18	5.21	5.11	5.08	5.04
Earnings Y'ld % (full)(c)	15.03	15.12	14.84	14.76	14.62
P/E Ratio (net) (a) (b)	9.80	9.74	9.93	9.98	10.08
Dealings marked	6,498	8,149	7,131	7,410	7,617
Equity turnover £m	—	55.40	91.87	79.59	68.89
Equity bargains total	—	15,596	20,916	18,749	16,649

10 a.m. 397.2. 11 a.m. 398.6. Noon 398.0. 1 p.m. 397.4. 2 p.m. 396.7. 3 p.m. 400.0.
Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.73 [...]
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	50.53 (3/1/75)	150.4 (22/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	197.1 (20/1/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACT[IVITY]

Daily—
Gilt-Edged...
Industrials...
Speculative...
Totals...
5-day Av'r'ge
Gilt-Edged...
Industrials...
Speculative...
Totals...

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	EQUITY GROUPS	Tues. Feb. 10, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Mon. Feb. 9 Index No.	Friday Feb. 6 Index No.	Thurs. Feb. 5 Index No.	Wed. Feb. 4 Index No.	Year ago (approx.) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	149.79	−0.6	15.46	5.66	9.79	9.79	150.59	153.11	154.25	154.01	93.64	155.06 (30/1/76)	51.78 (6/1/75)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	143.32	−0.2	11.89	5.96	13.09	13.09	143.65	145.91	146.88	147.53	87.96	150.18 (16/1/76)	48.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	238.32	−0.3	14.71	4.10	10.59	10.59	239.03	240.45	244.62	245.34	158.87	263.54 (18/11)	74.74 (6/1/75)	389.33 (19/6/73)	71.48 (12/12/74)
4	Electricals (16)	259.17	−0.9	16.84	4.60	8.70	8.70	261.45	270.34	273.49	271.34	178.31	273.62 (2/2/76)	98.49 (2/1/75)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	170.64	—	19.16	6.92	8.49	8.49	170.69	175.33	177.10	178.09	112.22	181.38 (30/1/76)	64.39 (2/1/75)	202.57 (6/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	135.99	−0.7	16.39	6.23	9.14	9.14	136.92	138.06	138.56	138.12	79.90	138.56 (6/2/76)	46.43 (6/1/75)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	55.31	−0.1	15.27	6.77	11.81	11.81	55.36	55.39	55.59	55.53	32.63	56.59 (5/2/76)	20.11 (2/1/75)	136.70 (4/1/65)	19.96 (13/12/74)
8	Miscellaneous (25)	129.60	−0.3	16.02	6.47	9.48	9.48	129.97	131.89	132.14	132.13	83.61	133.69 (30/1/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	129.93	−0.9	14.39	4.81	10.49	10.48	131.15	133.28	134.15	134.33	68.40	134.33 (4/2/76)	38.39 (6/1/75)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	146.10	−1.2	13.25	3.67	11.30	11.28	147.81	151.06	152.46	152.60	81.24	152.60 (4/2/76)	44.28 (6/1/75)	257.41 (19/6/72)	42.85 (12/12/74)
11	Household Goods (15)	178.35	−0.3	13.87	6.19	10.65	10.62	178.92	181.22	182.43	182.85	105.23	182.85 (4/2/72)	64.53 (6/1/75)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (26)	77.00	−0.8	16.46	6.07	9.35	9.35	77.58	78.28	78.45	78.58	35.33	78.58 (4/2/76)	19.91 (6/1/75)	170.59 (16/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	156.92	−0.6	13.19	5.58	11.22	11.11	157.79	160.83	162.24	162.24	110.13	162.24 (5/2/76)	61.96 (6/1/75)	225.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	169.89	−1.7	13.28	6.35	11.30	11.30	172.78	175.21	176.46	177.54	130.25	179.43 (2/2/76)	75.58 (6/1/75)	261.67 (23/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	176.17	−1.9	10.51	5.73	14.44	14.44	179.65	183.10	183.10	184.15	130.46	185.67 (3/2/76)	80.42 (6/1/75)	257.40 (13/1/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	201.84	−1.0	11.06	6.04	14.47	13.81	203.96	206.68	208.60	208.35	109.32	208.60 (5/2/76)	55.28 (6/1/75)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	168.86	−0.2	12.91	4.91	10.92	10.84	169.17	172.18	174.03	174.03	114.40	174.03 (4/2/76)	62.03 (2/1/75)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	140.00	−0.7	11.54	4.95	12.58	12.56	140.97	144.11	145.94	145.57	109.29	155.88 (10/11)	57.15 (2/1/75)	235.08 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	180.74	−0.2	12.46	5.59	12.02	12.02	181.16	181.99	181.91	179.92	103.12	181.99 (6/2/76)	55.08 (6/1/75)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	106.44	−0.7	20.77	7.17	7.17	7.17	107.14	110.02	111.39	111.44	78.37	111.44 (4/2/76)	43.46 (6/1/75)	135.69 (28/4/72)	43.46 (6/1/75)
21	Stores (33)	131.80	−0.2	11.38	5.15	13.50	13.48	132.07	135.32	136.02	135.97	96.43	136.24 (2/2/76)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	175.44	+0.1	13.57	6.16	9.49	8.90	175.34	180.09	180.90	182.02	107.53	183.19 (30/1/76)	62.91 (6/1/75)	253.72 (17/8/68)	62.66 (11/12/74)
23	Tobaccos (3)	227.77	−0.3	17.71	6.03	8.61	8.61	228.53	231.85	236.22	234.90	165.20	236.22 (5/2/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	63.28	+0.3	21.56	6.28	6.46	6.46	63.09	62.87	63.38	62.30	35.85	63.76 (20/11)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	212.53	−0.2	13.18	4.53	10.64	10.64	212.96	218.11	219.52	219.92	128.83	219.92 (4/2/76)	73.14 (6/1/75)	219.92 (4/2/76)	71.20 (1/12/74)
26	Office Equipment (10)	88.32	−0.1	14.65	5.91	10.05	10.05	88.37	92.18	91.37	91.76	91.91	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	406.75	−0.1	17.76	6.09	7.20	6.92	406.97	415.06	418.38	419.61	311.54	432.64 (30/1/76)	194.38 (6/1/75)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	166.05	−0.4	14.24	6.36	10.35	10.34	166.68	169.69	170.72	171.07	112.01	172.73 (30/1/76)	60.39 (6/1/75)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	158.75	−0.5	13.99	5.49	10.52	10.46	159.52	162.64	163.86	163.90	105.73	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	335.86	−0.8	14.98	4.79	7.45	6.67	333.35	335.30	335.53	337.80	196.54	351.71 (9/1/76)	105.83 (2/1/75)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	173.61	−0.3	14.14	5.39	9.92	9.65	174.14	177.20	178.35	178.67	113.49	178.85 (30/1/76)	65.49 (6/1/75)	227.95 (16/8/72)	65.49 (13/12/74)
32	FINANCIAL GROUP (100)	143.77	−0.5	—	4.95	—	—	144.49	148.56	149.68	150.97	106.90	153.46 (30/1/76)	56.50 (6/1/75)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	170.37	—	16.31	4.77	9.43	9.43	170.42	178.83	181.65	186.33	114.20	192.16 (29/1/76)	62.56 (2/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	178.74	−0.3	—	6.88	—	—	179.11	183.30	180.78	180.82	139.13	186.52 (13/1/76)	84.13 (6/1/75)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	121.52	−2.2	—	6.19	—	—	124.26	127.46	130.36	128.88	101.53	134.39 (10/3)	42.81 (6/1/75)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	122.78	−0.8	—	5.57	—	—	123.79	125.66	125.42	127.95	93.73	129.46 (30/1/76)	44.88 (2/1/75)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	114.75	−0.1	—	5.98	—	—	114.89	117.99	117.94	118.34	81.34	123.90 (20/5)	44.47 (2/1/75)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	225.76	−0.8	9.02	4.11	16.72	16.72	227.59	228.95	230.37	229.03	144.69	232.39 (18/11)	68.96 (7/1/75)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	89.94	−1.0	—	6.13	—	—	90.86	91.68	92.47	92.64	69.15	94.97 (7/3)	31.21 (7/1/75)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (32)	185.15	−1.2	2.47	2.61	77.24	71.72	187.41	191.05	192.42	191.72	170.94	241.22 (22/4)	88.19 (7/1/75)	367.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	89.44	−0.5	14.36	6.08	10.92	10.92	89.93	90.84	91.26	91.70	60.15	91.96 (3/2/76)	34.78 (10/1/75)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	174.82	−0.4	2.87	4.09	34.83	34.81	175.55	178.66	180.74	182.14	134.65	184.65 (30/1/76)	73.43 (6/1/75)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	166.26	−0.3	—	5.23	—	—	166.84	170.10	171.26	171.79	112.53	172.64 (30/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	446.34	−1.2	14.36	7.53	10.69	10.66	441.20	444.65	448.12	447.40	371.67	525.43 (23/5)	281.66 (21/1/75)	655.37 (23/7/73)	84.68 (25/8/65)
45	Teas (9)	122.85	−0.2	38.48	8.43	3.81	3.76	123.12	124.26	124.59	124.41	81.82	124.59 (5/2/76)	76.76 (10/1/76)	124.59 (5/2/76)	69.72 (17/10/74)
46	Coppers (3)	270.45	+0.5	36.54	6.35	2.74	2.74	269.02	270.43	267.28	267.28	423.56	467.74 (27/3)	251.97 (18/12/75)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	108.90	−0.3	10.85	4.62	10.41	10.41	109.19	110.10	110.86	111.50	99.74	141.34 (10/5)	90.58 (22/1/75)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	88.59	+2.9	14.12	10.19	10.11	9.48	86.09	86.49	86.32	86.57	81.71	114.49 (5/6)	58.91 (6/1/76)	125.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	230.48	−0.6	14.54	4.53	8.80	8.80	231.68	234.41	235.74	234.95	167.88	262.23 (30/5)	97.37 (6/1/76)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Tues., Feb. 10 Index No.	Tues., Feb. 10 Yield %	Mon. Feb. 9	Friday Feb. 6	Thurs. Feb. 5	Wed. Feb. 4	Tuesday Feb. 3	Mon. Feb. 2	Friday Jan. 30	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.61	13.79	13.41	13.51	13.22	13.22	13.04	13.02	14.83	—	—	—	—
2	20-yr. Govt. Stocks (6)	50.98	13.78	51.25	51.92	52.22	52.54	52.61	53.39	53.48	47.39	53.45 (30/1/76)	38.27 (3/1/75)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	51.15	14.48	51.15	51.34	51.46	51.46	51.36	51.26	50.76	44.76	51.46 (4/2/76)	37.01 (3/1/75)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	50.39	13.74	50.39	50.22	50.24	50.29	50.29	50.29	50.21	41.69	50.39 (3/2/76)	35.35 (3/1/75)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	69.57	13.63	69.89	70.58	70.61	70.98	71.03	71.97	71.86	69.62	71.97 (2/2/76)	47.67 (6/1/75)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	110.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.75	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

‡ Redemption yield. FT-Actuaries Indices are calculated by Exel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGE: Brown Bros. Corp. (Motors and Distributors), has been replaced by Christie-Tyler (Household Goods).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
ICI	£1	16	375	—	387	118
Burmah Oil	£1	12	46	+1	100	27
H'kong & Shanghai	$HK2.50	11	338	−10	375	118
Ocean Trans. 'New'	Nil/pd.	10	24½*	−½	35*	24½*
Shell Transport	25p	10	384	+6	404	118
Assoc. P. Cement	£1	8	179	+1	202	64
Distillers	50p	8	145½	−½	152	65½
Marks & Spencer	25p	8	106	+2	128	47½
Thorn Elec. 'A'	25p	8	248	—	258	75
Barclays Bank	£1	7	313	−2	350	112
Brit. Home Stores	25p	7	338	—	383	126
Carpets Int. 'New'	Nil/pd.	7	18½*	+½	22*	18*
Charter Cons.	25p	7	159	+3	205	87
Eng. China Clays	25p	7	91	−1	97	35
GEC	25p	7	151	—	162	51

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 3	Feb. 16	Apr. 29	May 11
Feb. 17	Mar. 1	May 13	May 25
Mar. 2	Mar. 15	May 27	Jun. 9

"Calls" were dealt in Booker McConnell, Norwest Holst, British Land and Warrants, Turner and Newall, Lonrho, Spillers, Midland Bank, Rio Tinto-Zinc, Reo Stakis, Burmah Oil, Anglia, J. Brown, Clayton Dewandre, Triplevest Capital, Ladbroke Warrants, International Computers, Burton "A," Cavenham Warrants and National Westminster Bank Warrants. No "puts" were reported, while "doubles" were arranged in Trafalgar House, International Computers, Lonrho, MEPC, Town and City and Capital and Counties.

Industrials							
		Guardian	20	Spillers	6	Shell	25
		G.K.N.	22	Tesco	5	Ultramar	20
A. P. Cement	15	Hawker Sidd.	35	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	21	Unilever	40	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
Boots Drug	12	I.C.L.	14	Vickers	13	Chart'rh'll Fin.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	350
BOC Int.	5½	Lloyds Bank	22	Property.		Great Boulder	12
Burton 'A'	7	"Lofs."	5½	Amal. Inv.	3½	Hampton Areas	12
Cadburys	6	"Mams"	6	Brit. Land	4½	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	10	Cap Counties	3½	Kloof	100
Debenhams	8	Midland Bank	22	E.P.	8	Lonrho	12
Distillers	13	Nat'West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	10	MEPC	5½	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	65
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l	25	Oils.		Western M'ng.	18
Grand Met	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	17	Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (33)

BRITISH FUNDS (1)
Elect. 3pc '74-77
COMMONWEALTH (1)
Aust. 6pc '74-76
AMERICANS (5)
Bendix Corp. Kaiser Aluminum
Brunswick Corp. Penn-Central
Carrier Corp.
CANADIANS (1)
Pacific Petroleum
BUILDINGS (1)
Whatlings
CHEMICALS (4)
Bayer A.G. Hoechst
Ransom (Wm.) Do. Fin.10pc Uns. Ln.
STORES (2)
MFI Warehouses Midland Educational
ELECTRICALS (3)
Allied Insulators Electrocomponents
Dale Electric
ENGINEERING (4)
Birmingham Mint Thyssen
Graham Wood Woodhouse Rixon
FOODS (1)
Clifford's Dairies
INDUSTRIALS (6)
De La Rue Steetley
Dover Corp. Utd. City Merchants
Dundee-Combex Wolstenholme Bronze
NEWSPAPERS (2)
Bristol Post Pearson Longman
SHOES (1)
Garner Scotblair
TEAS (1)
Peacock Sasini

NEW LOWS (3)

MINES (3)
Gold Mines Kalgoorlie
Free State Dvlpt. Jantar

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	6	43	9
Corpns. Dominion and Foreign Bonds	1	26	37
Industrials	238	406	1,069
Financial and Prop.	60	230	298
Oils	8	9	17
Plantations	6	4	37
Mines	28	69	58
Recent Issues	3	14	21
Totals	346	801	1,546

BASE LE[NDING] RAT[ES]

Allied Irish Ban[k]
Anglo-Portugues[e]
Henry Ansbach[er]
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rho[ne]
Barclays Bank
Barnett Christie
Bremar Holding[s]
Brit. Bank of Mi[d. East]
■ Brown Shipley
Canada Perman[ent]
Cayzer, Bowater
Cedar Holdings
■ Charterhouse Ja[phet]
C. E. Coates
Consolidated Cr[edits]
Co-operative Ban[k]
Corinthian Secur[ities]
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transco[nt.]
First London Se[cs.]
■ Antony Gibbs
Goode Durrant T[rust]
Greyhound Guar[anty]
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partn[ers]
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank o[f Scot.]
Keyser Ullmann
Knowsley & Co. L[td.]
Lloyds Bank
London & Europ[ean]
London Mercanti[le]
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westm[inster]
Northern Comm.
Norwich General
Portman Guaran[tee]
P. S. Refson & Co
Rossminster Acc[ept.]
Schlesinger Limi[ted]
E. S. Schwab
Security Trust Co
Shenley Trust
Standard Charter[ed]
Sterling Credit
Thames Guaranty
Trade Developme[nt]
Twentieth Centur[y]
United Bank of K[uwait]
Whiteaway Laidl[aw]
Williams & Glyn[']s
Yorkshire Bank

■ Members of the Acc[epting Houses] Committee.
* 7-day deposits 5½%, 1[...] 5¾%.
† 7-day deposits on sums [...] under 5¼% up to £2[...] over £25,000 6¼%.
§ Demand deposit 7%.
‡ Call deposits over £1,0[00 ...]

CORAL IND[EX]
Close 402-4[...]

I.G. INDE[X]
GOLD 127¼-1[...]

INSURANCE [BASE] RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Property Bond table.

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 9¼ per cent.
(since February 6, 1976)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave large assistance by lending to six or seven houses, overnight, at Bank of England Minimum Lending Rate. Repayment of special deposits and Monday's official loans to the market were large factors against the market, and there was also a net take-up of Treasury bills to finance. On the other hand there was a large excess of Government disbursements over revenue payments to the Exchequer, and banks brought forward surplus balances.

Discount houses paid 9-9¼ per cent. for secured call loans in the early part and closing balances were found at around 8½-9 per cent.

In the inter-bank market overnight loans commanded 9¼-9½ per cent. at the start and after easing to 9 per cent., closed at about 9½ per cent.

Short-term fixed period interest rates were generally fairly steady.

Rates in the table below are nominal in some cases.

Feb. 10 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills Φ	Bank Bills Φ	Fine trade Bills Φ
Overnight	—	9-9½	—	—	—	—	8½-9⅝	—	—	—
2 days notice	—	—	8½-8¾	—	—	—	—	—	—	—
†7 days or 7 days notice	—	9-9¼	8¾	—	—	—	9-9¼	—	—	—
One month	9¼-9⅛	9⅛-9¼	8¾-9	9¾-9¼	9¼-10¾	—	8⅞-9	8⅞-8⅝	9⅛	10-9⅝
Two months	9¼-9⅛	9⅛-9¼	—	9¾-9¼	9¼-10¾	—	8⅞	8⅝	9⅛-9 3/16	10-9⅝
Three months	9¼-9⅛	9⅛-9 7/16	9⅛-9 3/16	9¾-9¼	9¼-10¾	—	8¾-8⅞	8 9/16	9 3/16-9 5/16	10-9⅝
Six months	9 5/16-9 7/16	9 7/16-9⅝	9 7/16-9⅝	9¾-9¼	9¼-10¾	—	—	—	9-8 15/16	10-9⅝
Nine months	9 9/16-9 11/16	9 9/16-9⅝	—	10⅛-9½	9¼-10¾	—	—	—	—	—
One year	9 11/16-9 13/16	9⅝-9⅞	10¼-10⅜	10¼-9¾	9¼-10¾	—	—	—	—	—
Two years	—	—	11⅛-11½	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 11 11/16-12 per cent.; four years 12-12¼ per cent.; five years 12¼-12½ per cent. Φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9-8 15/16 per cent.; and four-month trade bills 10-9¾ per cent. Approximate selling rate for one-month Treasury bills 8¾-8 11/16 per cent.; two-month 8⅝-8 25/32 per cent.; three-month 8 13/16 per cent. Approximate selling rate for one-month Bank bills 9 1/16 per cent.; two-month 9-8 31/32 per cent.; and three-month 9 3/16 per cent.; for one-month trade bills 9¾-9½ per cent.; two-month 9¾-9½ per cent. and three-month 9¾-9½ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11 per cent. from February 1. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Rates for lending 9½ per cent. Treasury Bills: Average tender rates of discount 8.7691 per cent.

AUTHORISED UNIT TRUSTS

G. & A. Tst. Mgrs. (a) (g)
5, Rayleigh Rd., Brentwood. (0277) 227300
G. & A. 25.5 27.2 −0.2 4.81

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

…n of the share prices previously shown under regional headings is …ow with quotations on London. Irish issues, most of which are not …d in London, are shown separately and with prices as on the Irish …

18		Graig Ship. £1	370	+30	Shiloh Spinn.	38	
33		Hallam Sleigh 10p	7	+½	Sindall (Wm.)	53	
29		Higsons Brew.	100	+7			
150		I.O.M. Stm. £1	138	−12	IRISH		
25	−1	Holt (Jos.) 25p	255	−5			
320		Kleen-e-Ze	18		Alliance Gas (£1)	85	
23		Lovell's Ship £1	70		Carroll (P. D.)	118	
58		N'thn. Goldsmith	89		Clondalkin	44	
25		P.M.A.	52	−1	Concrete Prods.	85	
9		Pearce (C. H.)	80		Goodbody (£1)	34	
40		Peel Mills	12½		Heiton (Hldgs.)	37	
16		Richards 10p	17	+½	Irish Distillers	65	
143		RobbCaledonSh.	40	−1	Irish Wire	40	
12		Sayers 12½p	17		Jacob	70	
76		Sheffield Brick	68		Sunbeam	13	
		Sheff. Refrshmt.	140		Unidare	70	

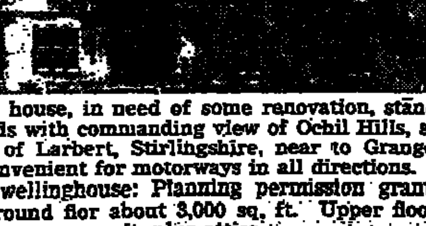
…GER OF ARCHWAY FUNDS

…ings of Unitholders held on 3rd February 1976 … the merger of Archway Capital Fund into Archway …und, which has been renamed Archway Fund. … Scheme of Amalgamation, for each Archway Capital … has been issued 1.35185 Archway Fund Units, and …s for these will be posted to the former holders of …Capital Units on 16th March 1976. The existing …s for Archway Income Units will remain valid as …s for the same number of Archway Fund Units.

ARCHWAY UNIT TRUST MANAGERS LTD.
24 St. Mary Axe, London EC3A 8EN.

…PERTY FOR SALE

GRANGEMOUTH — SCOTLAND
GLENBERVIE HOUSE



…try house, in need of some renovation, standing in …ounds with commanding view of Ochil Hills, situated …ge of Larbert, Stirlingshire, near to Grangemouth … convenient for motorways in all directions.
…a dwellinghouse: Planning permission granted for … Ground flor about 3,000 sq. ft. Upper floor 2,850 sq. ft. plus attics.

Further particulars from
HENDERSON & JACKSON, W.S.
…nd Square, Edinburgh. Telephone 031-229 3571.

…PANY NOTICES

PAN-HOLDING S.A.
Luxembourg

…a provisional statement of the accounts …ecember 31, 1975, the company's net … amounted to US$ 66,417,354—i.e. …38 for each of the 700,000 shares of … —making up the company's capital.

…ARY FUND S.A.

…O SHAREHOLDERS
…of Centenary Fund S.A. …ths to 30th September, …ady and can be obtained …o either the Investment …agement Limited. … Pountney Hill, …R 0BA. …d office: … du Luxembourg.

G. E. KENT & SONS LIMITED

NOTICE IS HEREBY GIVEN that the Share Transfer Books of the Company will be closed from 15th to 19th March 1976 both dates inclusive.

BY ORDER OF THE BOARD,
C. H. MILLER,
Director and Secretary.

24, Old Bond Street,
London W1X 4AB.
9th February, 1976.

OFFSHORE AND OVERSEAS FUNDS

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.
Wrld. Wide Gth.Fd. $US12.12 −0.01 —

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey yield. # Suspended. ☆ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98¹¹⁄₁₆	92¹⁄₁₆	Treasury 6½pc 1976‡‡	98¾xd	.....	6.58	9.09
99	97	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	100¹³⁄₁₆	.....	10.40	9.22
97¼	88⅞	Treasury 6¼pc 1977‡‡	97xd	.....	6.44	9.27
96¼	86¼	Electric 3pc '74-77	96¾xd	+¼	3.10	6.14
103⁹⁄₁₆	96⅞	Treasury 11½pc '77‡‡	102¹⁄₁₆	−¹⁄₁₆	11.27	10.04
94	84	Treasury 3pc '77‡‡	93½	+½	3.21	6.97
93⅞	84½	Transport 4pc '72-77	93⅜	−⅛	4.28	7.89
97⅝	90½	Treasury 9pc 1978‡‡	97⅛xd	.....	9.24	10.42
100¹¹⁄₁₆	96	Treasury 10½pc '78‡‡	100⁷⁄₁₆	+⅛	10.45	10.28
92½	79	Exchequer 5pc '76-78‡‡	91⅝	−¼	5.46	8.62
103¼	94⅞	Treasury 11½pc '79‡‡	102⅝xd	.....	11.21	10.50
86⅞	71⅛	Treasury 3pc '79‡‡	86¾xd	−⅛	3.46	7.29
87⅞	73⅞	Electric 4¼pc '74-79	87	.....	4.89	8.48
100¹⁄₁₆	94½	Treasury 10½pc '79‡‡	99⁷⁄₃₂	+¹⁄₃₂	10.58	10.73
99¹⁵⁄₁₆	95¹⁄₁₆	Do. 10½ 1979 'A'	99⁷⁄₃₂	+¹⁄₃₂	10.58	10.73
86⅝	71	Electric 3½pc '76-79	86¼	.....	4.06	7.77
95⅝	84	Treasury 9pc 1980‡‡	95½xd	−⅛	9.42	10.39
95⅝	89¼	Treasury 9½pc '80‡‡	95¼	.....	9.97	10.91
95⅝	92¼	Treas. 9½ 1980	95¼	.....	9.97	10.92
86	68¼	Treasury 3½pc '77-80	85¼xd	−⅛	4.11	7.54
87⅝	71	Funding 5¼pc '78-80‡‡	86½	−¼	6.07	9.07
103¹⁄₁₆	94¹³⁄₁₆	Treasury 11½pc 1981	102⅛	+¹⁄₁₆	11.24	10.86
		Five to Fifteen Years				
86	66¼	Treasury 3½pc '79-81	83⅝xd	−1⅝	4.18	7.46
91⅝	72⅞	Do 8½pc '80-82‡‡	91	−⅛	9.40	10.72
107¼	86⅝	Treasury 12pc 1983‡‡	101¼xd	−⅛	11.72	11.51
79⅞	58	Funding 5½pc '82-84‡‡	78⅝	−¼	7.03	9.46
86¼	61⅞	Treasury 8½pc '84-86‡‡	84¼	−¼	10.12	11.13
74⅞	51⅞	Funding 6½pc '85-87‡‡	73¼	−¼	9.10	10.98
77⅛	53	Treasury 7¾pc '85-88‡‡	75⅛	−¼	10.36	11.72
51¼	32⅞	Transport 3pc '78-88	49⅛	−⅛	6.15	10.47
59¼	39¼	Treasury 5pc '86-89	57¼	−⅜	8.99	11.51
102	96	Treasury 13pc 1990‡‡	98⅞	−⅜	13.28	13.31
75⅞	53¼	Treasury 8¼ '87-90‡‡	73½	−¼	11.43	12.44
		Over Fifteen Years				
60	41½	Funding 5¾pc '87-91‡‡	57¼	−¼	10.32	12.24
99	85½	Treasury 12¾pc '92‡‡	95⅝	−⅜	13.43	13.52
97½	83⅝	Treasury 12½pc '93‡‡	93⅝	−⅜	13.49	13.60
—	—	Do. 'A'‡‡●	£95¼	.....	13.12	13.21
58	40½	Funding 6pc 1993‡‡	52¾xd	−⅜	11.26	12.70
75⅛	54⅛	Treasury 9pc '94‡‡	72⅝	−¼	12.76	13.29
36½	24¾	Gas 3pc '90-95	34⅞	−⅛	8.81	11.68
102	75	Treasury 12¾pc '95‡‡	96¼	−⅜	13.61	13.66
75⅞	54¾	Treasury 9pc '92-96‡‡	68¾xd	−¼	12.94	13.41
35½	26½	Redp. 3pc 1986-96	33½	−¼	9.26	11.79
100⅞	86¼	Treasury 13¼pc '97‡‡	97⅛	−⅜	13.74	13.77
101⅞	88⅛	Do. 13¼% '97 'A'	98⅝	−⅜	13.78	13.79
69⅞	53¼	Treasury 8¾pc 1997‡‡	66½xd	−¼	13.07	13.49
59⅞	40¼	Treasury 6¾pc '95-98‡‡	55	−¼	12.71	13.40
75⅛	54¼	Treasury 9½pc 1999‡‡	72⅛	−¼	13.30	13.57
31½	22	Funding 3½pc '99-04	29¾	−⅛	11.87	12.80
65	47	Treasury 8pc '02-06‡‡	62¼	−¼	13.46	13.61
46⅛	33	Treasury 5½pc '08-12‡‡	41xd	−⅛	13.28	13.44
60¼	43⅛	Treasury 7¾pc '12-15‡‡	57⅞	−¼	13.59	13.64
		Undated				
29⅞	22⅛	Consols 4pc	28⅝	−⅛	14.03	—
27⅞	20⅛	War Loan 3½pc‡‡	26⅝	−⅛	13.50	—
28⅞	22⅜	Conv. 3½pc '61 Aft.	27⅝	−⅛	13.28	—
23¼	17½	Treasury 3pc 66 Aft.	22⅞	−⅛	13.75	—
19⅞	14¼	Consols 2½pc	18⅝	−⅛	13.61	—
19½	14¼	Treasury 2½pc	18¾	−⅛	14.01	—

**INTERNATIONAL BANK

1975/6 High	Low	Stock	£	+ or −	Int.	Red.
72½	58	5pc Stock '77-82	72xd	−¼	6.94	11.13
99	91½	8pc Stock 1976	98½xd	−¼	8.12	9.72

**CORPORATION LOANS

1975/6 High	Low	Stock	£	+ or −	Int.	Red.
89	80¼	Birm'ham 9¾pc '79-81	87¾xd	−¼	10.57	12.26
96½	87	Bristol 6½pc '75-77	96½	.....	6.75	10.52
93¾	82¾	Essex 5½pc '75-77	93½	.....	5.88	10.52
98½	90	G.L.C. 6¾pc 1976	98½xd	.....	6.85	10.33
95½	85	Do 7¼pc 1977	95	−¼	7.63	10.89
102½	92½	Do. 12¾pc '82	101½	−½	12.64	12.59
78¼	63	Herts. 5¼pc '78-80	78¼	....	6.71	12.03
94½	83½	Liverpool 7pc '76-77	94½	.....	7.41	10.90
89½	71	Do. 9¼pc '80-84	86	−½	11.65	12.67
26	17¼	Do. 3½pc Irred.	25½	.....	14.25	—
90	77¼	Lon. Corp. 6½pc '75-78	89¼xd	−¼	7.25	11.47
83	66½	Do. 9¼pc '84-85	82	−½	11.76	12.92
91	78¾	L.C.C. 6pc '75-78	90½xd	−¼	6.60	11.32
75½	59½	Do 5½pc '77-81	74½	−¼	7.61	12.38
65½	48	Do 5½pc '82-84	64½	−½	8.54	12.27
59	40¼	Do. 5½pc '85-87	57¼	.....	9.76	12.61
60½	42	Do 6¾pc '88-90	57	−¾	11.95	13.34
22½	15¾	Do. 3pc '20 Aft.	21¼	−¼	14.25	—
92¾	82¼	Middx. 6¾pc '75-77	92¼	−¼	6.78	10.93
78½	64¾	Do 5¼pc 1980	78¼	−¼	6.71	12.12
89½	76	Newcastle 9¼pc '78-80	89	.....	10.39	12.45
101⅛	94½	Warwick 12½% 1980	100½	−½	12.44	12.19

COMMONWEALTH & AFRICAN LOANS

1975/6 High	Low	Stock	£	+ or −	Int.	Red.
99	89¼	**Aust. 6pc '74-76	99	+⅛	6.18	10.90
91	80¾	**Do. 5½pc '75-78	88⅞	−¼	6.33	11.42
81½	66½	**Do. 5½pc '77-80	81	−¼	6.84	11.92
74½	58⅞	**Do. 5½pc '81-82	73⅞	−⅜	7.65	12.01
85¾	71¾	**N.Z. 4pc 1976-78	85	−½	4.74	10.42
83¼	68¾	**Do. 6pc '76-80	81¼xd	−¼	7.36	11.78
71½	54¼	**Do. 7½pc '83-86	70¼	−1	10.47	12.76
49	30	Sth. Rhod. 2½pc '65-70	41	.....	—	—
62	40	Do. 6pc '78-81	57	.....	—	—

LOANS (Miscel.)

1975/6 High	Low	Stock	£	+ or −	Int.	Red.
47	36	Agric. Mt. 5pc '59-89	47	.....	10.57	13.69
74½	55½	Alcan 10½pc '89-94	74½	.....	14.32	14.70
100¼	90¾	**FFI 13pc '81	99½	−⅛	13.06	13.00
107	90¾	Do. 14pc 1979	105½	.....	13.65	13.10
65½	50	ICFC 8⅝% Ln. '92-97	64xd	.....	14.77	15.25
95½	85	Do. 9pc 1977	93½	.....	9.68	13.10
99½	92	Do. 10pc 'C' 1976	99	.....	10.32	13.40
24¾	18¼	**Met. Water 3pc 'B'	23¼xd	−¼	12.81	13.89
84	54	U.S.M.C. 9pc 1982	84	.....	10.82	13.95
81	53	Do. without Wrnts.	81	.....	11.23	14.01
87	76	Ultramar 7pc '75-78	87	.....	8.22	13.20

FOREIGN BONDS & RAILS

1975/6 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
14	5½	Antofagasta Rly.	11½	.....	—	—
36½	19½	Do. 5pc Pref.	36	.....	B—	—
99	95	Berlin 4½pc Ass.	95xd	.....	4½	7.55
96	94	Chilean Mixed	94xd	.....	3	13.13
195	191	German Yng. 4½pc	193	.....	9.12	—
72	55	Greek 7pc Ass.	71	.....	—	f4.71
67	47	6pc 28 Stab. Ass.	66	.....	3	f4.25
42	24	4pc Mixed Ass.	42	.....	f834	f9.20
31	20	Hung. '24 Ass.	31	.....	f9.69	f10.09
55	48	Iceland 6½pc '83-88	55	.....	6½	13.80
75½	60½	Ireland 7½pc '81-83	72¾	−¼	7½	13.53
77	56	Do 9¾pc '91-96	76	−½	—	13.60
[illegible]						

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 66⅞% (based on $2.0265 per £)

CANADIANS

[illegible]

S.E. List Premium 66⅞% (based on $2.0180 per £)

Conversion factor 0.6005 (0.6000)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا اصل

هكذا أصل الأصل

INDUSTRIALS—Continued

††INSURANCE

PROPERTY—Continued

TRUSTS, FINANCE, LAND — Investment Trusts

TRUSTS—Continued

MOTORS, AIRCRAFT TRADES — Motors and Cycles — Commercial Vehicles — Components — Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS — India and Bangladesh — Sri Lanka — Africa

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¾	250	Durban Deep R1	390	......	Q20c	φ	2.8
£14	440	E. Rand Prp. R1	465	−10	Q36c	φ	4.2
105	16	Rand Leases 2½c	16	......	—	—	—
£34½	£12¾	Randf'in Est. R2	£14¼	−¼	—	—	—
500	120	West Rand R1	130	−5	Q10c	φ	4.2

EASTERN RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	160	Bracken R1	188	−2	Q52c	1.0	15.3
23	5	Daggafontein 50c	7	......	—	—	—
105	25	East Dag R1	26	......	—	—	—
140	£	Grvt. Areas 5c	140#	......	—	—	—
380	100	Grootvlei 30c	100	−5	Q20c	φ	11.1
820	385	Kinross R1	390	−10	Q54c	1.4	7.6
90	52	Leslie 70c	63	−1	Q18c	1.4	15.8
550	150	Marievale 70c	160	......	Q42c	φ	14.5
725	155	S. African Ld. 35c	175	−5	Q30c	φ	9.5
265	80	Vlakfontein R1	83	−2	Q20c	φ	13.3
£13¾	660	Winkelhaak R0	715	−5	Q108	1.1	8.3
120	28	Wit. Nigel 25c	30	......	—	—	1.4

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	30	−½	—	—	—
880	360	Cons. Murch. 10c	860	......	Q80c	φ	5.1
53½	29½	Laurasia	39½	−½	—	—	—
375	200	Northgate C$1	375	+20	tQ25c	1.0	3.7
211	80	R.T.Z.	196	+2	g5.51	4.4	4.3
135	47½	Sabina Inds. C$1	105	−2	—	—	—
81	45	Stanford Mines$1	45	......	—	—	—
£12½	874	Tara Expln. $1	£11	+⅛	—	—	—
118	38	Yukon Cons. C$1	110	−3	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- φ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 16

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £225 per annum for each security

FINANCIAL TIMES
Wednesday February 11 1976

U.S. company denies $28m. Iran refund

BY GUY DE JONQUIERES NEW YORK, Feb. 10.

GRUMMAN, the large U.S. aerospace contractor, denied to-day that it has agreed to refund to the Iranian Government $28m. in disputed commisions related to Iran's $2.2bn. order for 80 F-14 Tomcat military aircraft.

The effect of Grumman's statement, issued at its headquarters on Long Island, New York, this morning, is to call into question the legal validity of a note signed by Mr. Peter Oram, president of *its international subsidiary*, undertaking to refund $28m. to the Iranian Government.

According to a report by the Washington Post to-day, General Hassan Toufanian, Iran's Vice-Minister of War in charge of arms purchases, has said that Mr. Oram signed the note in his office on *June 19 last year*. Mr. Oram has confirmed independently that he signed the note, and its existence is not disputed by Grumman.

But this morning the company said that its chairman, Mr. John Bierwirth, recently met General Toufanian and that it was agreed that the question of the commission payments should be turned over to lawyers for review and a solution. It said that no solution had yet been reached, but added that it would comply with its legal obligations when these had been determined.

Iran has raised strong objections to an arrangement which Grumman reached to pay the $28m. as commissions to middlemen who, the company claims, acted as its lobbyists in Tehran. Iran contends, however, that the commissions amount to an which it is not prepared to pay.

According to the Washington Post, Gen. Toueanian contends that he reached a special arrangement with Mr. James Schlesinger, the former U.S. Defence Secretary, in 1973 which explicitly prohibited the payment of any agents' fees or sales commissions in connection with the F-14 contract.

Grumman officials claim that the cost of the payments was being borne by the company and that no charge had been made to any Government contracts for either Iranian or U.S. military procurements.

The company added that it had severed its connection with the lobbyists, but admitted that it had already paid them $6m. of the $28m.

More than half the $6m. was paid to three Iranian-born brothers, Hushang, Parviz and Mansour Lavi, and the remainder to their successor, a New Jersey company called Shaham Société Anonyme.

According to the Washington Post, Gen. Toufanian said he had blacklisted the Lavi brothers in 1972 "because they had been passing themselves off as agents *for Iran and selling audiences* with the Shah to businessmen in Europe." The General said that he was so infuriated when he learned of the Lavi brothers' role that he summoned Mr. Oram and another senior Grumman official to Iran and threatened to cut 20 per cent. off the $2.2bn. contract.

But, he added, the Shah recommended a less-drastic course, and Gen. Toufanian then recalled the Grumman officials and offered to take the $28m. fees in spare parts. The upshot, he said, *was the note signed by Mr.* Oram.

Tate statement

Margaret Reid writes: Meanwhile in London the Tate and Lyle sugar group denied, follow*ing allegations reported from* Tehran, that any of its executives were involved in any fraudulent or corrupt practices in regard to sugar transactions with the Iranian Government.

According to the Tehran reports the Iranian Imperial Inspector's Department and Anti-Corruption Supreme Council had charged Tate and Lyle and two high-ranking Iranian Government officials with swindles involving more than $45m. in two sugar purchase deals in 1975.

Official statements said to *have been released* by the Iranian Anti-Corruption Supreme Council are quoted as saying that two representatives of Tate & Lyle, Mr. Attfield and Mr. C. R. Paul, neither of whom is in Iran, are wanted for prosecution.

They are said to be charge with "under-the-table" dealings with two Under-Secretaries of the Ministry of Trade, Mr. Hussein Ali-Zadeh and Mr. Mohammed Ali Sairafi, in signing deals for the purchase of 23 shiploads of sugar at a rate $154 a ton higher than the market rate.

Tate & Lyle's statement, through the finance director Mr. David Hhardy, said: "We have had no formal notification, either directly or through the British Embassy in Tehran, of any charges against the company or any of its executives.

"For the record, the Iranian Government made a specific *request to Tate & Lyle* that we should offer them sugar. Our offer was accepted and contracts were signed with the Iranian Government in February 1975."

Line of credit for Portugal

Financial Times Reporter

The Export Credits Guarantee Department has guaranteed a £5m. line of credit which N. M. Rothschild have arranged with Sociedade Financeira Portuguesa on behalf of a consortium of London Clearing and Scottish Banks. The loan will enable Portuguese buyers to place contracts in the U.K. for capital equipment and associated services which have a minimum value of £10,000 and a maximum value of £250,000. Contracts must be placed by January 31, 1977. U.K. exporters will receive 85 per cent. of the contract price from the loan after shipment has taken place; the remaining 15 per cent. is payable from the buyer's own resources.

BAC jobs to be cut by 1,200

By Michael Donne, Aerospace Correspondent

ABOUT 1,200 workers in the British Aircraft Corporation's Commercial Aircraft Division, including several hundred engaged on Concorde, are to be told next Monday they are to lose their jobs, with the formal redundancy notices being issued on February 27.

The workers involved represent about half the 2,400 which the BAC said last November would have to go by this May, because of the declining volume of work in the division.

Since then, 1,200 have gone voluntarily or through early retirement, so that only the same number is left to face formal redundancy.

All kinds

The number to go at Weybridge is about 400, at Hurn, Dorset, 200, about 50 at Fairford, Gloucestershire, and the rest, up to 600 at Filton, Bristol. All kinds of workers are involved, including design and production personnel.

When the redundancies have been completed, the Commercial Aircraft Division will employ about 11,600, or 17 per cent. fewer than at the end of last year.

BAC hopes for several reasons that it can hold the labour force in the division at about 11,600 after the cuts.

First, it is bringing in work from other divisions, such as *the Military Aircraft Division*. Secondly, it is increasing its sub-contract activities from outside, and is working for such companies as Hawker Siddeley, Short Brothers, Boeing and Lockheed.

Thirdly, it has experienced a revival of airline interest world-wide in the One-Eleven short-haul jet airliner, and is building another ten Series 500s, of which five have been sold to Tarom of Romania, with sales for the other five now in negotiation.

The BAC feels that there is now a better chance than for some time of selling additional One-Elevens, and is pursuing this goal vigorously.

Due to fly

For Concorde, however, which is assembled at Filton, where most of the redundancies are occurring, the picture is bleaker. Of the 16 production aircraft authorised, six are flying, two are due to fly soon, and work on the other eight is in many instances more than half completed.

Concorde production work is therefore running down, and unless there is a significant breakthrough in the world air transport industry, with additional orders being placed beyond those held from British Airways and Air France, it is likely that the line will run down further.

Bank of France spends $200m. to back franc

BY RUPERT CORNWELL PARIS, Feb. 10.

THE BANK of France spent more than $200m. to-day to support the franc against the D-mark, the largest sale in a single day since pressure on the franc began to build up three weeks ago.

By to-night the rate had weakened to Frs.175.15 for DM100 despite Central Bank intervention throughout most of the day, and was standing close to hte franc's floor within the EEC narrow margins agreement of Frs.176.425.

Dealers reported a steady volume of sales, amplified by the familiar "leads and lags" mechanism as importers speeded up purchases of foreign exchange and exporters delayed repatriation of payments from abroad.

In addition the Eurofranc rate, a key barometer of confidence in the French currency, rose again to-day *as speculators* borrowed foreign-held francs to sell against the mark and other strong currencies.

Since the Italian foreign exchange markets were shut on January 20 the Bank of France is estimated to have spent up to $1.5bn. in support operations. In that time, as both the lira and the Spanish peseta have been substantially devalued, attention has focused on the franc as the most vulnerable currency, and above all on its relationship with the mark.

As European economies recover the D-mark is again looking a safe medium-term revaluation bet, while it is increasingly mooted here that the franc (whose mark parity is that of winter 1973 before President Pompidou pulled it out of the European currency "snake") might be overvalued. President *Giscard took the franc back into* the snake six months ago against the strong advice of some of his close colleagues.

Inevitably the unease has grown in the run-up to the Franco-German summit in Nice this week, in spite of repeated denials on both sides that any exchange-rate adjustment is under consideration.

The nervousness of the markets to-day contrasted vividly with the confidence in Basle, where leading central bankers had been attending their regular monthly meeting.

M. Bernard Clappier, Governor of the Bank of France, is understood to have assured his colleagues that France would continue to defend existing parities vigorously. Indeed foreign exchange dealers on the Continent have been impressed by the *determination and skill with* which the Paris authorities have acted so far.

What is more, total support so far at about Fr.6.8bn. represents barely one-fifth of the country's available foreign exchange reserve. To this must be added a gold stock worth Frs.63bn. ($14bn.) at the present free market price.

But should the outflow continue at to-day's pace much longer the French Government will almost certainly have to change tack: Either new exchange controls, or a shift in its present policy, which places an overriding emphasis on rapid growth.

The familiar attraction of the mark apart, this insistence on growth has stirred the perennial suspicion that Paris is prepared to sacrifice price stability and the exchange rate in favour of expansion.

Snag for Giscard

The other option, of course, is to bow to the pressure and lower the exchange rate, either by a devaluation within the "snake" *or by dropping out of the narrow* margin agreement completely.

Such a step, however, quite apart from its economic drawback of increasing import prices at a moment when their volume is already picking up, would involve an enormous loss of prestige for M. Giscard d'Estaing.

Banks keep adequate level of liquidity

BY MICHAEL BLANDEN

PRESSURES on the banks as a result of the tax season have not been too heavy, the latest figures indicate, and with the help of the temporary release of £325m. of special deposits by the Bank of England liquidity has been maintained at an adequate level.

Yesterday the banks had to repay the special deposits to the Bank, and this brought a shortage in money markets which required the Bank to prove a *large amount of overnight* assistance to the market. Nevertheless, with large Government disbursments being made, it is thought that the banking system should be able to cope fairly easily.

The temporary move to release special deposits has had the desired effect in enabling the downtrend in short-term interest rates to continue up to the end of last week, with bank base lending rates dropping by a full 1 per cent. in two stages to 9½ per cent.

Without this relief, it is felt, *the combination of the drain of* tax to the Government and the heavy sales of gilt-edged stocks would have brought a shortage in the market and stopped the drop in rates.

With the pound coming under pressure again in disturbed foreign exchange markets, the Bank has indicated to the market that the decline in interest rates should now slow down.

The impact of tax payments on the banks is reflected in the figures published by the London clearing banks. For the extended six-wek period to mid-January, these shows a rise of £457m. in advances to the U.K. private sector.

The banks report that this increase was rather less than would have been expected on normal seasonal grounds. These include the tax payments, subject to considerable uncertainty as a result *of the changes in the recent pattern* of the tax flows and the impact of the new penalties for late payment this year. The seasonal factors also include the debiting of half-yearly interest and commission charges at the end of December.

The underlying demand for loans was therefore at best no more than flat during this period. The release of special deposits, which took place just two days before the banks' January 21 *make-up day, provided an extra* £227m. of funds for the London clearing banks, which helped to maintain the banks' liquid resources.

With this help, the average reserve ratio of the London clearers rose from 13.7 per cent. to 14.2 per cent. This could suggest that without the 1 per cent. release of special deposits, the banks could have been close to *the minimum* 12.5 per cent. ratio.

Full figures Page 17
Editorial comment Page 14

Individual banks show even lower ratios, with Midland, for example, at 13.5 per cent., but it is likely that if needed they could have re-arranged their holdings of various liquid assets to maintain the reserve ratio at a satisfactory level. The banks report that the special deposits released, together with money arising from the repayment of Treasury bills and net withdrawals from the parallel Money markets, were placed in the Discount market.

The movement of tax funds are also reflected in the London Clearing Banks' deposit figures, which show an increase overall of £230m. in sterling deposits by U.K. residents.

Separate figures for the banking sector as a whole show a more comfortable reserve ratio of 15.5 per cent. compared with 15.1 *per cent. in the previous month.*

Continued from Page 1

Angola towns fall

As to-day's broadcast again *made clear, the Luanda Government* has no intention of stopping its southern advance or of leaving the South African forces to continue their occupation of Southern Angola. The broadcast said that the offensive will now move on towards the southern *city of Sa Da Bandeira*, some 200 miles south, which has an important air support base for the South African forces.

Now that MPLA's Soviet-supplied heavy artillery and tanks have crossed the natural barrier of the River Queve, formerly the South African forward line, there is no other major natural obstacle to MPLA's advancing towards the South African lines.

But the Luanda forces, and their Cuban allies, may want to consolidate their positions along the railway lines and in the Unita heartland before pushing on south.

Stewart Dalby in Johannesburg reports: Reliable sources in *Pretoria to-day refused to confirm* prominent reports appearing in South Africa that MPLA troops have linked up with SWAPO (South West African Peoples Organisation) cadres and have become active in southern Angola immeidately North of the Cunene river projects, on the border with Southwest Africa.

The sources also say there is no substantive evidence to support reports that Cuban troops, who have been separheading the MPLA drive into southern Angola against the Unita forces, have appeared in what South Africa refers to as "its operational area" armed with 122 Russian made rockets.

As observers point out here, if the reports from the Zambia capital of Lusaka that 6,000 Cuban troops are massing for a drive on the Unita military headquarters at Bie are true then it is unlikely that they have troops to space to harrass the Southern border area as well.

THE LEX COLUMN

Imperial's second half surprise

The weakness of Sterling, closing at a new trade weighted low, did not prevent both gilts and equities recouping small losses yesterday afternoon. Money markets coped with the recall of special deposits on schedule with no obvious problem, and indeed the mid-January banking statistics indicate no undue pressure on reserve asset ratios. This morning, all eyes will be on the opening quotations of the *LASMO-SCOT* issues: the jobbers, at any rate, seem to think that stags may face a small loss.

Index rose 3.5 to 403.1

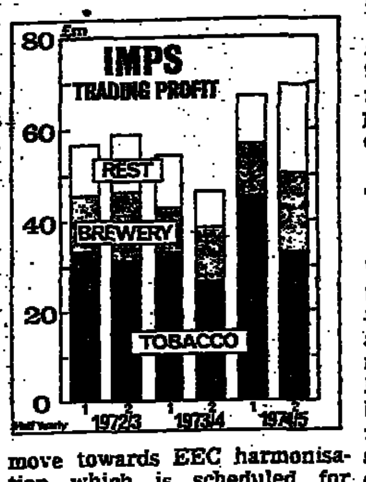
Imperial Group

Imperial Group has paid the maximum dividend after an unchanged interim, and its profits are up from £73.5m. to £106.8m. pre-tax. This is well ahead of most targets, and the main reason is that returns in the food division—which barely broke even in the second half of 1973-74—have been transformed. Pre-interest profits here are up from £7m. to £20.1m.: the poultry operation, which lost over £5m. a year ago, accounts for nearly half the latest profit figure, and the recently acquired U.S. business actually made more than the U.K. side.

In addition, cigarette consumption recovered surprisingly quickly after last spring's sharp duty increases. Industry volume dropped by about 3 per cent in 1975, but Imps. claims a small increase in its market share. Courage has increased its share of the market too, and like all the other brewers had a very good summer.

This year brewery profits may be squeezed, and the distinct possibility of yet another duty increase in April poses a question mark over volume in the cigarette market, which is currently stagnating. So although packaging may be over the worst and there is probably more to come from the poultry side, the overall trading performance could be comparatively unexciting this year. However, investment income is rising following the partial switch out of BAT into gilts, *and interest costs were already* moving down towards the end of last year. Net cash flow over the 12 months amounted to £86m., of which stock relief represented about a third, whereas spending on fixed assets and net working capital dropped to £68m. Tobacco stocks were cut during the year (along with credit terms) and although these savings cannot be taken much further, the inflationary pressures are still easing.

This background provides firm support for the shares at 87p, where the yield is 8.4 per cent. But there are still a number of uncertainties, like the next report from the Royal College of Physicians expected in the late summer, and the



move towards EEC harmonisation which is scheduled for 1978. BAT may have more going for it at the moment, especially since these figures confirm that Imperial is under no pressure to sell its remaining holding.

A final point is that Imperial's informative statement includes an indication of the impact of current cost accounting on depreciation and stocks. The figure lies somewhere between £50m. and £70m., which is closely in line with outside estimates.

De La Rue

De La Rue's profits have begun to recover sharply after declining for five successive quarters, and the shares rose 10p yesterday to 223p for a gain of nearly two-fifths since early November. The third quarter pre-tax figure is £3.1m., taking the nine-month total up to £5.28m. against £5.84m., and the biggest improvement has come *from the bank note side*, as reflected in a rise in exports of over a third in the quarter. This momentum is continuing in the current quarter and the order book is "very strong." Moreover, the signs of a pick-up in Formica (nearly a third of 1974-1975 profits) apparent at the end of the second quarter have been fully confirmed with the recovery extending on U.K. to the major markets, especially and Spain.

Crosfield—a produ tronic scanning acquired in Septembe £4m. in cash and nea of the equity—is, ho in the red followi disputes earlier in though it should be in the current perio the group looks like most of the near £2 profits in the first during the second approach last year £8.27m. A prospect 9 is not expecting from the upturn in perhaps understanda of the record.

Thos. W. War

The case history Ward—which is r under £6m. through three rights issue about the problems neering industry, th has contributed to it by splashing out he return areas. By las shareholders' funds compared with deb despite the heroic— ful—efforts to cont capital during 1! recent years Ward £36m. on acquiring while net working climbed another £ Yet this includes sle ment like the £8.4 Tunnel Cement, sho loss of several £ taking into accoun ing costs. Annual of around £5m., as ciates, is lament company which ployed of £75m.

It is a fair guess cost accounting short work of W pre-tax profits (th tary gains would be some) and conven are still trending loss elimination Fowler and the ab year's stock losses o The high yield mea *has no interest sa* the p/e on historic from 8.4 to 9.4—b improvement in ratios does allow W that it will be able least a modest up level of trade. An the economy recov likely to improve performance.

Battle looms over Felixstowe

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE STRUGGLE for control of Britain's most successful privately-owned port, the Felixstowe Dock and Railway Company, intensified yesterday when European Ferries indicated that it was likely to go ahead with its takeover bid despite a refusal by the Felixstowe Board to support its offer.

Mr. Keith Wickenden, chairman of European Ferries, said that his company's offer would *be circulated to Felixstowe shareholders* provided it was not opposed by the port's 1,150 employees. He had met some of the dockers' shop stewards and he expected their formal approval by the end of the week.

European Ferries' renewed commitment to its offer came shortly after publication of a carefully worded statement from the Felixstowe's directors which reaffirmed their support for the £5.25m. bid by the State-owned British Transport Docks Board.

A private Bill empowering the Docks Board to buy Felixstowe is before Parliament.

The Felixstowe directors said that they could not "in all the circumstances" recommend that shareholders accept the European Ferries' offer, whose value, so far undisclosed, is believed to be only marginally better than the Docks Board's 150p a share proposal.

Emphasising their responsibility not only to stockholders but also to employees, customers and the general welfare of the port, the Felixstowe directors repeated their belief that the Docks Board bid "would best serve the interests of all concerned."

Guarantees

The Felixstowe company would not elaborate on its statement but its preference for nationalisation rather than private owner*ship is believed to stem from* doubts about the timing of the European Ferries offer and a preference for guarantees on the port's future development which have been given by the Docks Board.

Even if shareholders opted for the European Ferries offer, the Docks Board takeover would still go ahead provided the private Bill, in its present form, receives Royal assent by November 15.

The parliamentary timetable came under pressure last week when the second reading of the Bill was blocked for the second time.

European Ferries also claims that not all the Commons standing orders have been complied with and that it may be possible to convene an extra-ordinary general meeting of Felixstowe shareholders to vote on acceptance of the Bill.

Mr. Wickenden said that European Ferries was not happy with its experience of Docks Board ports, particularly Southampton "which is now the most expensive roll-on roll-off port in the country."

One the stock exchange, Felixstowe's shares dropped 6p, closing at 136p, while European Ferries rose 2p to finish at 74p.

Weather

U.K. TO-DAY

BRIGHT INTERVALS and showers.

London, E. Anglia, S.E., E. and Cent. S. England, E. Midlands
Clear spells, possibly showers. Wind W., moderate. Max. 8C (46F).

W. Midlands, N.E. and Cent. N. England
Showers in places. Wind W., fresh. Max. 6C (43F).

Channel Is., S.W. England
Variable cloud, showers. Wind W., fresh. 9C (48F).

Wales, N.W. England, Lakes
Showers. Wind W., strong. Max. 6C (43F).

Scotland, N. Ireland, I. of Man
Showers. Wind W., fresh or strong. Max. 5C (41F).

Lighting-up: London 17.36, Manchester 17.40, Glasgow 17.40, Belfast 17.51.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	C	12	54	Luxemb'g	R	1	34
Amsterdm.	C	7	45	Madrid	S	13	55
Athens	S	8	46	Manchstr.	S	7	43
Bahrain	S	23	73	Melbourne	C	18	64
Barcelona	S	11	52	Mexico C.	S	18	64
Beirut	C	6	43	Milan	F	2	36
Belfast	S	4	39	Montreal	C	—1	30
Belgrade	C	—4	25	Moscow	S	—13	9
Berlin	C	—1	30	Munich	C	3	37
Birmnghm.	S	7	45	Newcastle	S	5	41
Bristol	S	7	45	New York	S	3	37
Brussels	R	6	43	Oslo	C	2	36
Budapest	C	—5	23	Paris	D	7	45
B. Aires	S	23	73	Perth	S	35	95
Cairo	C	15	59	Reykjavik	Sn	—4	25
Cardiff	S	8	46	Rio de J'o	S	30	86
Cologne	R	4	39	Rome	C	12	54
Copnhagn.	R	2	36	Singapore	S	31	88
Dublin	S	6	43	Stockholm	C	1	34
Edinburgh	R	5	41	Strasb'rg	R	5	41
Frankfurt	R	4	39	Sydney	C	20	68
Geneva	C	4	39	Tehran	R	11	52
Glasgow	C	2	36	Tel Aviv	R	11	52
Helsinki	C	—6	21	Tokyo	S	8	46
Hong Kong	S	22	72	Toronto	C	4	39
Jo'burg	S	24	75	Vienna	C	1	34
Lisbon	F	12	54	Warsaw	S	—3	27
London	S	9	48	Zurich	C	4	39

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	13	55	Jersey	F	8	46
Algiers	R	9	48	Las Plms.	F	18	64
Biarritz	C	12	54	Locarno	C	3	37
Blackpool	S	6	43	Majorca	F	9	48
Bordeaux	C	12	54	Malaga	F	16	61
Casablnca.	C	16	61	Malta	C	11	52
Cape Town	C	24	75	Nairobi	S	23	73
Corfu	C	9	48	Naples	S	10	50
Dubrovnik	C	9	48	Nassau	S	20	68
Faro	F	17	63	Nice	F	12	54
Funchal	S	18	64	Oporto	F	11	52
Gibraltar	S	18	64	Rhodes	S	7	45
Guernsey	S	8	46	Salzburg	C	3	37
Innsbruck	F	5	41	Tenerife	F	14	57
Inverness	F	3	37	Tunis	F	15	59
Isle of Man	S	6	43	Valencia	C	12	54
Istanbul	F	1	34	Venice	S	3	37

S—Sunny. F—Fair. C—Cloudy. R—Rain. D—Drizzle. Sn—Snow.

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